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## IN THE UNITED STATES PATENT AND TRADEMARK OFFICE BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

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## IN THE UNITED STATES PATENT AND TRADEMARK OFFICE BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

**ECONOMY RENT-A-CAR, INC.** 

Petitioner,

٧.

EMMANOUIL KOKOLOGIANNIS AND SONS, SOCIETE ANONYME OF TRADE, HOTELS AND TOURISM S.A.

Respondent.

Cancellation No. 92055558

Registration No. 3256667

#### PETITIONER ECONOMY RENT-A-CAR, INC.'S TRIAL REPLY BRIEF

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#### I. <u>INTRODUCTION</u>

Respondent argues that "the core of this dispute is a priority contest". Respondent's Main Trial Brief ("Respondent's Brief"), at p. 1. However, the Board need not even decide the issue of priority because Respondent has conceded that its registered mark was abandoned years ago.

Respondent admits there was no use of the registered mark from June 2007 to February 2013. See Respondent's Brief, at p. 28. Under the Lanham Act (15 U.S.C. § 1127), nonuse of a mark for three consecutive years constitutes *prima facie* evidence of abandonment. Respondent's admission that it did not use the mark it registered *for over five years*, coupled with its lack of evidence justifying or otherwise excusing that five-year period of nonuse, conclusively establishes that the registered mark was abandoned.

Cancellation of Respondent's registered mark also is required because that mark causes inevitable confusion with the mark asserted by Petitioner. Respondent's contention that Petitioner is guilty of laches is no defense where confusion is inevitable, and it is not a defense to a claim of abandonment. Moreover, there has been no laches by Petitioner because it timely filed this action and Respondent has failed to demonstrate that it suffered prejudice as a result of any alleged delay in the filing of the present petition.

Apparently recognizing the futility of its asserted defenses, Respondent, for the first time in this case, attempts to now argue that the asserted mark, ECONOMY RENT-A-CAR, was abandoned by Petitioner's predecessor-in-interest, UDBC, before Petitioner obtained any right to use that mark. Respondent alternatively contends that if there was continued use of the pleaded mark by UDBC, it was insufficient to give UDBC prior rights. Such arguments, both of which are being raised for the first time in Respondent's Trial Brief, are untimely and should be rejected as lacking factual merit or as having been waived. They ignore the record evidence showing over ten years of continued use of the ECONOMY RENT-A-CAR mark by Petitioner's

predecessor-in-interest *prior to* both Respondent's claimed priority date under the Paris Convention and the registration date of Respondent's mark. Respondent also ignores (and apparently asks the Board to ignore) the unrebutted record evidence showing UDBC's continued use of the ECONOMY RENT-A-CAR mark to date. Thus, even if Respondent's new and belated defenses were to be considered by the Board, they lack factual and legal merit.

In sum, the evidence of record clearly demonstrates that Respondent's registered mark should be cancelled because it has long been abandoned and, if allowed to persist on the register, it will cause inevitable confusion with mark ECONOMY RENT-A-CAR as used and asserted by Petitioner in this proceeding.

#### REBUTTAL STATEMENT OF FACTS

Preliminarily, Petitioner addresses Respondent's "Statement of Facts" because it includes numerous statements that are not relevant, are not supported by evidence of record, or are contradicted by the record evidence.

### A. Respondent Made No Use Of The Registered Mark For Five Years After It Registered In 2007 And Failed To Provide The Claimed Services

Respondent attempts to blur the mark and the services that are the subject of this cancellation proceeding. While Respondent refers repeatedly to its trade name and mark as "ECONOMY CAR RENTALS", that is *not* the mark at issue in this proceeding. The registered mark that Petitioner seeks to cancel is (U.S. Reg. No. 3,256,667):



That registration was granted on June 26, 2007 for the following services: "Transport by car, organization of travel and arranging travel tours, car rental services."

Respondent admits in its Brief that the earliest date it used the registered mark was February 5, 2013. Respondent's Brief, at p. 28. Additionally, although Respondent's registration claims "car rental services," Respondent concedes that it "owns no physical car

rental facilities or vehicles" and that no cars are actually rented in connection with the registered mark (or any other mark of Respondent). See Respondent's Brief, at p. 5-6. Respondent now asserts/admits that the service it actually provides is "proprietary search engine software" (Respondent's Brief, at p. 4-5); however, that service is <u>not</u> covered by the registration at issue. Thus, by Respondent's own admissions, for over five years from the date of registration of its mark there had been no use of the registered mark and it has never provided any "car rental services" (or other services actually set forth in the registration at issue).

Additionally, Respondent expressly admits that its paid advertising was for the ECONOMY CAR RENTALS mark (not the registered mark) and that consumer exposure was to the ECONOMY CAR RENTALS mark (not the registered mark). Respondent also conceded that any display by its affiliates was of the ECONOMY CAR RENTALS mark (not the registered mark). See Respondent's Brief, at p. 6-8.1 Thus, any goodwill and reputation developed by Respondent would be in the ECONOMY CAR RENTALS mark (not the registered mark).

## B. Petitioner's Prior Rights Stem From Continuous Use Of The Pleaded Mark By Its Predecessor-in-Interest Dating Back To At Least 1994

Respondent does not dispute that Petitioner operates a vehicle rental and reservation service under the service mark ECONOMY RENT-A-CAR. However, Respondent falsely asserts that Petitioner did not acquire any right to use the pleaded mark *until two years after* it filed its Petition for Cancellation. *See* Respondent's Brief, at p. 2, 12 and 16. However, the unrebutted testimony and documents of record establish that Petitioner acquired its rights in the ECONOMY RENT-A-CAR mark well before it filed this proceeding, and that Petitioner's prior rights date back to at least 1994 as a result of continuous use of the mark by its predecessor-in-interest, UDBC.

Petitioner has submitted unrebutted evidence (to be properly viewed or considered as a whole by the Board) demonstrating that:

<sup>&</sup>lt;sup>1</sup> Respondent cites and proffers no evidence showing any website of <u>its affiliates</u> that displays any mark of Respondent. *See* Reply Brief Appendix A concerning Exhibit 14.

- UDBC is a California corporation that began providing its rental car services in the Van Nuys area at least as early as 1994.<sup>2</sup> See Martyn Testimony (TTABVUE No. 43), at p. 5, line 25 to p. 6, line 14; p. 7, line 24 to p. 8, line 10; p. 29, line 16 to p. 30, line 3 and Exhibit 25 thereto.
- Since 1994, UDBC has promoted the ECONOMY RENT-A-CAR mark on exterior pole signage at its place of business. *See* Martyn Testimony (TTABVUE No. 43), at p. 9, line 10 to p. 10, line 13.
- Since 1994, UDBC has answered its phones by saying "Economy Rent A Car" and continuously corresponded with its suppliers using the trade name "Economy Rent A Car" (and/or "Economy Rent-A-Car"). See id., at p. 12 line 9 to p. 13, line 4
- In 1994, UDBC began advertising its ECONOMY RENT-A-CAR service mark in printed telephone directories (Yellow Pages and White Page listings),<sup>3</sup> and its telephone advertising continued between 1998 and 2010.<sup>4</sup> See Martyn Testimony (TTABVUE No. 43) at p. 23, line 22 to p. 26, line 4 and Exhibits 18 through 21 thereto.
- In 2009, UDBC turned to promoting its mark, services, location and telephone number in internet directories, which continues to the present date and, in addition to its many advertisements in telephone directories over the years, from 1993 to the present date, UDBC has promoted its mark via the distribution of thousands of advertising flyers. *See* Martyn Testimony (TTABVUE No. 43), at p. 88, line 15 to p. 89, line 12; p. 30, line 4 to p. 31, line 5 and Exhibit 26 thereto; p. 34, line 17 to p. 36, line 2 and Exhibit 31 thereto; p. 37, lines 16 to 25 and Exhibit 33 thereto.
- Moreover, the ECONOMY RENT-A-CAR mark was also displayed on the Rental Car Agreements (and rental receipts) that were provided to customers since at least as early as 2000, and the trade name "Economy Rent A Car" (both with, and without, hyphens) was continuously used by UDBC in dealing with its customers and suppliers and on its business communications with others. See Martyn Testimony (TTABVUE No. 43), at p. 36, line 3 to p. 37, line 1 and Exhibit 32 thereto; p. 37, line 2 to p. 39, line 13 and Exhibit 33 thereto.

Petitioner has also submitted unrebutted evidence demonstrating that:

The vehicle fleet averaged 55 cars between 1994 and 2006. Martyn Testimony (TTABVUE No. 43), at p. 117, lines 11 to 23.

See Martyn Testimony (TTABVUE No 43) at p. 13, line 5 to p. 23, line 21 and Exhibits 4 through 17; p. 26 line 5 to p. 29, line 15 and Exhibits 22 through 25 thereto.

While Mr. Martyn was unable to locate and produce all annual versions of his company's telephone advertisements, he testified that those not produced contained the same advertisements as those that had been produced. See Martyn Testimony (TTABVUE No. 43), at p. 26, lines 5 to 17; p. 28, lines 10 to 21.

- On December 9, 2010, UDBC assigned its rights in the ECONOMY RENT-A-CAR name and mark, along with the goodwill represented thereby, to Proveedores y Soluciones DAC S.A. ("Proveedores"). See Muniz Testimony (TTABVUE No. 39), at p. 24, line 4 to p. 26, line 6 and Exhibit Nos. 11 and 12 thereto.
- Once acquiring from UDBC the California common law rights in and to the ECONOMY RENT-A-CAR name and mark, Proveedores promptly licensed them to Economy Rent-A-Car Leasing, Inc., which, in turn, immediately licensed them to the operational company (Petitioner herein) on December 10, 2010. The transfers initially took place through a verbal licensing approach, but were later followed by written licenses nunc pro tunc. See A. Muniz Testimony (TTABVUE No. 39), at p. 28, line 23 to p. 31, line 22 and Exhibits 14 and 15 thereto.

#### **LEGAL ARGUMENT**

## A. Respondent's Abandonment Of The "Registered Mark" Renders Inapplicable The Laches Defense In This Proceeding.

It is well-settled that the defense of laches will not preclude the cancellation of a federal trademark registration on the grounds of abandonment. See 3 McCarthy on Trademarks and Unfair Competition, §20:77 (4th ed.) ("[T]he equitable defenses of laches and estoppel are not available as against claims of fraud and abandonment. The public policy of removing such registrations overcomes any equitable defense"); see also, *Treadwell Drifters, Inc. v. Marshak*, 18 U.S.P.Q. 1318, 1320 (TTAB, 1990) ("[E]quitable defenses are not available against the claims of abandonment...because it is in the public interest to remove abandoned registrations from the register...".); *TBC Corp. v. Grand Prix Ltd.*, 12 U.S.P.Q.2d 1311, 1313 (TTAB 1989) (noting that it is in the public interest to remove abandoned registrations from the register and, therefore, the defense of laches is unavailable when the issue is abandonment); accord, *Linville v. Rivard*, 41 U.S.P.Q.2d 1731, 1733 n.5 (TTAB 1997) *aff'd on other gds.* 45 U.S.P.Q.2d 1374 (Fed. Cir.1998).

As pointed out at pages 37-44 of Petitioner's Main Trial Brief, Respondent abandoned the mark that it registered and which is now the subject of this proceeding. Respondent tries unsuccessfully to avoid the consequences of that abandonment by arguing: (a) the mark in the exact form in which it was registered has been in use on various websites since at least as early

as February 15, 2013 (citing Exhibits 12, 14 and 20); and (b) the registered mark and its "simplified version" are not "meaningfully disparate so as to create a different commercial impression." See, Respondent's Trial Brief, at pp.28-30.

Apart from the fact that the "evidence" cited by Respondent is not admissible<sup>5</sup>, it constitutes an unequivocal admission that the mark, as registered, was <u>not</u> in use in the United States at any time between the date of its registration (June 26, 2007) and February 13, 2013—a period of 5 3/4 years. No explanation has been provided by Respondent for its long non-use of the registered mark.

Respondent's long nonuse of the registered mark following the 2007 date of its registration raises a presumption of abandonment, one which has gone wholly unrebutted by the Respondent itself. See Saddlesprings, Inc. v. Mad Croc Brands, Inc., 104 U.S.P.Q.2d 1948, 1950 (TTAB, 2012) (finding that the nonuse of a mark registered under Section 66(a) of the Trademark Act for a period of three years from registration establishes a prima facie case of abandonment); A.V. Brands, Inc. v. Spirits Int'l, B.V., 2009 WL 1068777, \*9 (TTAB, Mar. 31, 2009) (stating that nonuse of a mark for three consecutive years raises a presumption of abandonment and shifts the burden to respondent to present evidence to show that its nonuse was excusable or that, during the period of nonuse, it maintained an intent to resume use of the mark). In its testimony and Trial Brief, Respondent makes no attempt to rebut the presumptive

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Kokologiannis Exhibit 20 is not admissible because it was never produced to Petitioner in discovery despite being responsive to Petitioner's discovery demands. See Petitioner's Main Trial Brief Appendix B (re: Exhibit 20). Respondent does not refute Petitioner's objection to Kokologiannis Exhibit 20 and, thus, it should be struck from the record. Kokologiannis Exhibits 12 and Exhibit 14 also are not admissible. Exhibit 14 contains inadmissible hearsay and does not fall into any exception to the rule precluding hearsay, and neither Exhibit 12 nor 14 were properly authenticated by competent testimony. See Petitioner's Main Trial Brief Appendix C (re: Exhibit 12) and Appendix B (re: Exhibit 14). Kokologiannis provided no testimony as to whether Exhibit 12 was actually published to the public on the ECR website and, more importantly, on the issue of abandonment, when it was published. In fact, Kokologiannis conceded that "a lot of times" the form does not appear on the ECR website as it appears in Exhibit 12. Similarly, Kokologiannis provided no testimony as to when the webpages shown in Exhibit 14 were actually published to the public. Respondent's attempts to refute Petitioner's objections fall flat. See Petitioner's Reply Brief Appendices A and B.

abandonment of its registered mark. Such a complete failure to rebut the presumption compels a finding that the mark, as registered, was abandoned at least as early as June of 2010 (three years following the date of its registration).

With regard to whether the registered mark was the "legal equivalent" of another mark allegedly used by Respondent (the so-called "simplified version"), any attempt to "tack on" use of the abridged mark to the registered mark places the burden directly upon Respondent to demonstrate the legal equivalency of both marks. See Petitioner's Trial Brief, at pp. 39-45 and cases cited therein. Even if both marks <u>might</u> have been seen by consumers (at least sometime <u>after</u> 2013), that does not remotely establish the consumer perception created by such usage. While Respondent certainly could have taken a survey, a focus group study, or even introduced consumer testimony to establish that required consumer perception, it elected not to do so. Mere argument now by counsel is not a satisfactory or competent evidentiary substitute.

In the complete absence of any evidence of use of the registered mark for over 5 3/4 years, coupled with the absence of any competent evidence that would warrant a finding that Respondent met its burden of proof to tack on its use of another mark to the registered mark, a finding of abandonment is compelled in this particular case.

## B. The Inevitable Likelihood Of Confusion Between The Parties' Marks Precludes The Application Of The Laches Defense.

The evidence submitted by Petitioner demonstrates a strong and <u>inevitable</u> likelihood of confusion between its common law mark (ECONOMY RENT-A-CAR) and the registered mark of the Respondent (ECONOMY CAR RENTALS RENTAL-HIRE-RENT A CAR-AUTOVERMIETUNG-MIETWAGEN & Design). The assessment of that level of such likelihood of confusion is to be determined by weighing those factors set forth in *In re E.I. Du Pont de Nemours & Co.*, 476 F.2d 1357, 177 U.S.P.Q. 563 (CCPA 1973), for which there is evidence. See, *In re Majestic Distilling Co.*, 315 F.3d 1311, 1315, 65 U.S.P.Q.2d 1201, 1203 (Fed. Cir. 2003).

Each of the *DuPont* factors were addressed at pages 23-37 in Petitioner's Main Trial Brief and need not now be repeated. It is sufficient to call the Board's attention to the fact that each of those factors weighed *heavily* in favor of the finding of a likelihood of confusion between the marks at issue herein. The substantial similarity between the dominant literal portion of the marks at issue--coupled with the substantial similarity concerning the parties' services and survey evidence of significant actual confusion--renders a finding of "inevitable confusion" appropriate and warranted in this particular case. That "inevitability" of confusion between the parties' respective marks overcomes the application of laches in this proceeding—a defense asserted by Respondent—and outweighs any delay by Petitioner in seeking cancellation of the confusingly similar registered mark owned by Respondent.

Case law states that equitable defenses, such as laches, are to be permitted under the Lanham Act -- but only "as far as possible". As applied to proceedings in the PTO, and as explained by the TTAB in *lodent Chemical Co. v. Dart Drug Corp.*, 207 U.S.P.Q. 602, 607 (TTAB, 1982):

[L]aches, estoppel, and acquiescence will not preclude a judgment in favor of the prior user if the identity of the marks and goods of the parties are such that confusion or mistake in trade is inevitable, a practice that has carried over in proceedings before the Board arising under the registration provisions of the statute [citations omitted]. This has been done essentially for the reason that the public interest necessitates the elimination or avoidance of situations that could readily give rise to confusion in the marketplace.

Accord, *Allstate Ins. Co. v. George DeLibro*, 6 U.S.P.Q.2d 1220 (TTAB, 1988) ("A] laches defense is considered only in cases where there is a reasonable doubt as to likelihood of confusion. Where no such reasonable doubt exists, laches, even if proven, would be an insufficient reason to allow a mark to be registered which would be likely to confuse the public."); see also, *Hornby v. TJX Cos., Inc.,* 87 U.S.P.Q.2d 1411 (TTAB, 2008). While Respondent opines that such confusion is in doubt here, it makes no effort to explain why or how it reached that bare conclusion. Indeed, the only argument advanced by Respondent is its

challenge to the Poret Survey and the comment that actual confusion has not been shown by Petitioner.

With regard to its attack on the Poret Survey, Respondent advances the erroneous argument that such confusion must be proven as of a time "prior to Registrant's priority date, based on use at that time of the term ECONOMY RENT-A-CAR." That incorrect argument conflates when a party in the position of a plaintiff must establish trademark rights with when that party must demonstrate a likelihood of confusion between its mark and the mark of a defending party. See, R.J. Reynolds Tobacco Co. v. Am. Brands, Inc., 493 F.2d 1235, 1238, 181 U.S.P.Q. 459, 462 (CCPA, 1974) ("[E]vidence bearing on the issue of likelihood of confusion is admissible for the period extending through the latest date permitted by the procedural rules of the Patent Office for taking testimony and presenting evidence.").

Though Petitioner has not presented the testimony of a confused consumer in this proceeding, it submitted the Poret Survey (TTABVUE No. 41) demonstrating circumstantial evidence of "actual confusion" regarding the parties' marks. As pointed out in Petitioner's Main Trial Brief (TTABVUE No. 62, at p. 35), such survey evidence has long been viewed as acceptable proof of actual confusion. See, *Mutual of Omaha Ins. Co. v. Novak*, 836 F.2d 397, 400, 5 U.S.P.Q.2d 1314 (8th Cir. 1987) (noting that plaintiff "produced evidence of actual confusion in the form of a survey" which was considered appropriate "for surveys are often used to demonstrate actual consumer confusion"); see also, *Fortune Dynamic, Inc. v. Victoria's Secret Brand, Mgmt.*, 618 F.3d 1025, 1035, 96 U.S.P.Q.2d 1585 (9th Cir. 2010) ("survey evidence may establish actual confusion"); *Sara Lee Corp. v. Kayser-Roth Corp.*, 81 F.3d 455, 467, 38 U.S.P.Q.2d 1449 (4th Cir. 1996) (accepting surveys as evidence of actual confusion); see also, *Conopco, Inc. v. May Dep't. Stores, Co.*, 46 F.3d 1556, 1564, 32 U.S.P.Q.2d 1225

<sup>-</sup>

Respondent has <u>never</u> challenged the distinctiveness of Petitioner's asserted mark or the date when Petitioner's predecessor established trademark rights in that mark ("ECONOMY RENT-A-CAR"). Instead, Respondent has only challenged whether Petitioner's predecessor subsequently "abandoned" those established rights in the common law mark.

(Fed. Cir. 1994) (noting that actual confusion can be proven through "circumstantial evidence, *e.g.*, consumer surveys or consumer reaction tests"). Survey evidence has been used to "provide a quantitative assessment of a "definitely confused market" in determining whether there was an "inevitability of confusion". *Sunamerica Corp. v. Sun Life Group of America, Inc.*, 890 F.Supp. 1559, 1580 (N.D. Ga. 1994), *rev'd on other gds*, 77 F.3d 1325, 38 U.S.P.Q.2d 1065 (11th Cir. 1996). "Courts have been willing to tolerate low levels of consumer confusion, but levels falling within the 25% to 50% range are viewed as excessive." *Id.* The Board should reach the same conclusion in this case.

The inevitable confusion created by the use of the parties' marks was plainly shown in Petitioner's survey evidence finding 32% of the survey respondents erroneously believed the marks were used by the same companies (and 35% of the respondents erroneously felt those companies were affiliated with each other due to the similarity between the marks). That significant level of net confusion led Petitioner's expert to conclude that confusion between the parties' marks was "inevitable." See Poret Exhibit 3, at p. 13 (TTABVUE No. 41). The Poret Survey demonstrating confusion as to both source and affiliation due to the similarity between the marks at issue in this proceeding (as well as the directly competitive nature of the parties' services) fell within that "excessive level" of confusion, rendering it "inevitable."

The Respondent having failed to rebut the "inevitable confusion" between the marks at issue, the Board should find that such confusion exists which warrants the cancellation of the registered mark, notwithstanding Respondent's claim of "laches".

The TTAB itself has characterized survey results showing a 29% level of likelihood of confusion as "significant." See, *Miles Labs. Inc. v. Naturally Vitamin Supplements Inc.*, 1 U.S.P.Q.2d 1445 (TTAB, 1987).

<sup>&</sup>quot;The standard for finding an inevitability of confusion is 'an increment higher' than the standard for finding a likelihood of confusion." *Sunamerica Corp., supra.* As noted, in that case, the court noted that levels of confusion "falling within the 25% to 50% range are viewed as excessive". 890 F.Supp. at 1580. The appellate court held that once such "inevitable confusion" was shown, any estoppel (in that case, "acquiescence") disappeared and the senior user's rights <u>must</u> be revived and relief determined without regard to the estoppel. 77 F.3d at 1334-35.

# C. Laches Does Not Apply In This Case Because Petitioner Did Not Unduly Delay Seeking Cancellation Of Respondent's Registration And Respondent Has Not Proven Any Prejudicial Reliance On The Delay.

Petitioner has established that "laches" does not apply in this proceeding due to the public policy considerations applicable in disputes such as those in this case where the Respondent has not only abandoned the registered mark at issue, but also where the Petitioner has demonstrated "inevitable confusion" between the marks at issue. Nevertheless, Petitioner calls the Board's attention to the fact that even absent those "public policy" considerations, the equitable doctrine of laches is inapplicable.

To prevail on the affirmative defense of laches, Respondent must demonstrate that there was an undue or unreasonable delay by Petitioner in asserting its rights, and that prejudice resulted to Respondent from that delay. Hornby, supra, 87 U.S.P.Q.2d at 1419. In Board proceedings involving issues of registration, the earliest that laches begins to run is the date that an objection could be asserted to registration of the mark in question. National Cable Television v. Am. Cinema Editors, Inc., 937 F.2d 1572, 1581 (Fed. Cir. 1991). "[T]he date of registration is the operative date for [calculating] laches[,]" unless there is actual knowledge of the respondent's mark prior to close of the opposition period. Ava Ruha Corp. v. Mother's Nutritional Center, Inc., 113 U.S.P.Q.2d 1575, 1580 (TTAB 2015). Only in the latter "actual knowledge" scenario will laches be calculated from the date the mark in question is published for opposition. Id. Respondent's mark was published for opposition on April 10, 2007, and it is undisputed that Petitioner had no knowledge of Respondent's registration before April 2009. See Muniz Testimony (TTABVUE 40) at p. 46, lines 15 to 23 and p. 69, line 24 to p. 70, line 2. Likewise, it is undisputed that Petitioner's predecessor had no knowledge of Respondent's mark before 2010. See Martyn Testimony (TTABVUE No. 43), at p. 43, line 9 to p. 44, line 15; p. 77, line 23 to p. 78, line 12. Accordingly, the time period for calculating any alleged laches in this case runs no earlier than June 26, 2007, the date that Respondent's registration issued.

Petitioner itself had no right to object to the Respondent's mark until December 10, 2010, when it was granted a sublicense to use the ECONOMY RENT A CAR mark (that mark having been acquired by Petitioner's parent company a day earlier). *See* Muniz Testimony (TTABVUE No. 39), at p. 30, line 21 to p. 31, line 7 and Exhibit 15 thereto; *see also* Muniz Testimony (TTABVUE No. 39), at p. 24, lines 4 to 12, and Exhibit 11 thereto. Petitioner then promptly filed its petition to cancel Respondent's registration on April 30, 2012 – less than one year and five months later.

The period of time before Petitioner filed this action presumptively cannot be viewed as "unreasonable" since the Trademark Act expressly allows a cancellation proceeding on the ground of likelihood of confusion to be filed up to five years from the date of a mark's registration. See Gado S.R.L. v. Jay-Y Enters. Co., 2013 WL 5498172, \*4 (TTAB, Sept. 26, 2013) (cancellation petition brought less than 5 years after registration date cannot be viewed as unreasonable "given that the Trademark Act provides that a cancellation action may be brought on the ground of likelihood of confusion up until the point that a registration is five years old."); Adams & Brooks, Inc. v. Morris Nat'l, 2013 WL 4397065, \*2 (TTAB, July 23, 2013) (noting that delay less than five years does not constitute laches because the Trademark Act provides for five-year period for bringing cancellation action); Black Bear Bottling Group v. Black Bear Spring Water LLC, 2011 WL 3871951, \*3 (TTAB, Aug. 18, 2011) (delay of three years, seven months "[o]n its face...cannot be viewed as unreasonable, inasmuch as the Trademark Act provides that a cancellation action may be brought on the ground of likelihood of confusion up until the point that a registration is five years old.").

Even in the absence of the aforesaid statutory presumption, Petitioner did not unreasonably delay filing its petition in this matter. When Petitioner first learned of Respondent's mark in April 2009 (as a result of a trademark search), Petitioner investigated Respondent's use by visiting its website. *See* Muniz Testimony (TTABVUE No. 40), at p. 73, line 25 to p. 74, line 10. As far as Petitioner could tell, Respondent's website did not include any

destinations in the U.S. *Id.*; Muniz Testimony (TTABVUE 40), at p. 92, line 18 to p. 93, line 9. Thus, Petitioner reasonably believed that Respondent operated only in Europe (or other foreign countries), that Respondent did not compete in the U.S. market, and that Respondent's foreign use of the registered mark did not impact or interfere with Petitioner's business. Indeed, Respondent admits that prior to 2009, Respondent's services were limited to providing cars in other countries and that it was only in 2009 that its website could be used by customers to book cars in U.S. locations (under the different abridged mark). *See* Kokologiannis Testimony, at p. 49, line 19 to p. 50, line 12.

In early 2012, Petitioner began receiving misdirected customer complaints that were intended for Respondent. *See* Muniz Testimony (TTABVUE 40), p. 93, lines 10 to p. 94, line 25. Those complaints prompted Petitioner to conduct a second investigation of Respondent and through that investigation, Petitioner then learned that Respondent had expanded its car rental and reservation operations into the U.S. (again, under the "abridged" mark). *Id.* Respondent's actual expansion into the U.S. forced Petitioner to then file this cancellation proceeding less than 4 months later. *See* Muniz Testimony, at p. 74, lines 11 to 15.

In determining whether a party has unduly delayed, "the focus is on [the] reasonableness [of the petitioner's actions] and the Board must consider any excuse offered for the delay." *Luxco, Inc. v. Tovaritch & Spirits Int'l SARL*, 2011 WL 1399234, \*3 (TTAB Mar. 24, 2011) (citing *A.C. Aukerman Co. v. R.L. Chaides Constr. Co.*, 960 F.2d 1020, 22 U.S.P.Q.2d 1321, 1329 (Fed. Cir. 1992)). Based upon the results of Petitioner's 2009 investigation revealing that Respondent was a foreign entity doing business only abroad, it was reasonable for Petitioner not to institute costly litigation. When Petitioner was alerted to the Respondent's expansion of rental operations into the U.S., however, it promptly initiated this proceeding.

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Similarly, when Petitioner's predecessor noticed Respondent on the Internet, it too believed that Respondent was "irrelevant" because the listings for Respondent originated in Europe and Greece. See Martyn Testimony (TTABVUE 43), at p. 43, line 9 to p. 44, line 15. Moreover, Petitioner's predecessor had never seen any advertisements for Respondent's rental car services or use of Respondent's mark in its market area (*i.e.*, California). *Id.* 

In addition to the foregoing, mere delay in asserting a claim does not constitute "laches." Fishking Processors, Inc. v. Fisher King Seafoods Ltd., 83 U.S.P.Q.2d 1762 (TTAB, 2007). Instead, the party asserting that defense bears the burden of proving that such a delay also caused "prejudice" to it—either from an evidentiary perspective or an economic standpoint. In short, it is well-settled that there must be a nexus between the delay and the alleged prejudice—with Respondent bearing the burden of establishing both prongs of the laches defense. Id.; see also Blackhorse v. Pro-Football, Inc., 111 U.S.P.Q.2d 1080, 1114 (TTAB, 2014) ("While specific evidence of reliance is not required to show prejudice, there must be some nexus between the delay in filing the suit and the expenditures."). Here, the sum and substance of Respondent's "proof of prejudice" is asserted in the two-paragraph statement at pages 13-14 of its Trial Brief. Such conclusory comments are not remotely sufficient to meet Respondent's burden of proof. See, Alfacel Corp. v. Anticancer, Inc., 71 U.S.P.Q.2d 1301 (TTAB, 2004) (noting the absence of specific evidence of economic prejudice compelled the rejection of the laches defense). This is more so where, as here, the alleged prejudice is not connected with the registered mark, but rather is tied instead to a mark that is not even the subject of this proceeding. 10

Because Petitioner did not "unduly" delay asserting its claim in this proceeding and, more importantly, because Respondent has not met its burden of proving any prejudicial reliance upon that delay, the defense of laches has not been established in this case.

#### D. Respondent's Abandonment Arguments Have Been Waived

At pages 14-19 of its Brief, Respondent argues that before Petitioner acquired a right to use the ECONOMY RENT-A-CAR mark, the mark was already abandoned by either an "assignment in gross" and/or by nonuse by UDBC. However, at no point in time before asserting such arguments in its Trial Brief has Respondent ever asserted an affirmative defense of abandonment, nor has the issue been explicitly or implicitly tried by the parties. *See,* 

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Respondent argues only its use of the abridged ECONOMY CAR RENTALS mark, rather than the mark which it actually registered in the PTO and which is the mark that is actually at issue in this case.

Amended Answer (TTABVUE 12) (asserting five affirmative defenses, none of which included abandonment). Accordingly, Petitioner objects to Respondent's alleged abandonment defense on the grounds that it is untimely and has been waived. *See Chicago Corp. v. N. Am. Chicago Corp.*, 20 U.S.P.Q.2d 1715, 1717 n.5 (TTAB 1991) (refusing to consider whether opposer lacked proprietary rights in the pleaded mark where respondent raised the affirmative defense for the first time in trial brief); *MCB, Inc. v. Fashion Exp. (Taiwan), Co.*, 2002 WL 745583, \*1-2 (TTAB, 2002) (refusing to consider defenses of laches and abandonment where they were asserted for the first time in respondent's trial brief).

Regardless of the waiver by Respondent, there was no abandonment of the ECONOMY RENT-A-CAR mark by UDBC. As shown above, there has been no abandonment by nonuse because the undisputed evidence of record demonstrates UDBC's continuous use, promotion and advertising of the mark from 1994 through at least December 2010, when the mark was assigned to Proveedores and then sublicensed to Petitioner. *See supra*, at p. 6-7. Additionally, there has been no abandonment by an "assignment in gross" because as Respondent recognizes, the assignment to Proveedores of the ECONOMY RENT-A-CAR mark (and the California state registration for that mark) clearly included the goodwill of the business symbolized thereby. *See* Confidential Testimony of A. Muniz (TTABVUE 39), at p. 24, line 1 to p. 26, line 7 and Exhibits 11 and 12 (¶ 9) thereto.

Respondent, however, attempts to argue that the goodwill symbolized by the mark was not transferred to Proveedores. *See* Respondent's Brief, at p. 15-16. In that argument, Respondent relies only on its subjective belief that, prior to the assignment, Proveedores conducted "little due diligence" of the nature and scope of the goodwill possessed by UDBC, that the latter was not asked to provide information concerning its business, and that UDBC continued to use the mark after that assignment in the same way it had since 1994. None of

Respondent's contentions establish an assignment in gross.<sup>11</sup> The rule against the assignment of a mark in gross prevents a mark from being transferred separately from the goodwill of the business. *See Visa, U.S.A., Inc. v. Birmingham Trust Nat. Bank*, 696 F.2d 1371, 1375 (Fed. Cir. 1982). Its purpose is to prevent misleading consumers who will assume that the mark will continue to be associated with the same goods and/or services after the assignment. *Id.* However, a party can properly assign a mark without a transfer of any physical or tangible assets. *Id.* So long as the assignee is providing a service that is substantially similar to that of the assignor so that there is continuity of the associations made with the mark, there is no assignment in gross. *Id.* at 1376.

Here, prior to the assignment of the ECONOMY RENT-A-CAR mark to Proveedores, the mark was used by UDBC in connection with car rental services. *See supra*, at p. 4. The mark was then assigned to Proveedores and sublicensed to Petitioner, who then licensed the mark to various companies, including UDBC, for use also in connection with car rental services. *See* Muniz Testimony (TTABVUE 39), p. 24, line 1 to p. 36, line 25 and Exhibits 16 and 17 thereto. The assignment and subsequent licenses of the mark clearly maintained its association with car rental services.

Additionally, the transactions between UDBC, Proveedores and Petitioner constituted an assignment and a license back, which is a "well-settled commercial practice" that has long been upheld by the courts. *See id.*, at 1376-77. "A license back of an assigned mark to enable the assignor-licensee to continue to conduct the same business or provide the same services under the mark is not a novelty." *Id.* at 1376. "A license back is valid if it satisfies the conditions of validity for trademark licenses generally. The principal requirement...is that 'the licensing agreement provides for adequate control by the licensor over the quality of goods or services produced under the mark by a licensee[.]" *Id.* at 1377. Here, the license from Petitioner to

Respondent's contentions also are incorrect as the value of UDBC's rental car operation was one of the reasons for Proveedores' acquisition of the UDBC mark. *See* Muniz Testimony (TTABVUE 39), p. 28, lines 1-23.

UDBC clearly stated that Petitioner would control use of the mark and the quality of the services to be provided, and Petitioner has, in fact, repeatedly inspected UDBC's location for compliance with Petitioner's terms of use. *See* Muniz Testimony (TTABVUE 39), p. 32, line 17 to p. 33, line 7 and Exhibit 16 thereto; p. 36, lines 2-8. There being a transfer of the goodwill symbolized by the mark, as well as control by Petitioner over the use of the mark and quality of the services that UDBC would continue to provide under the mark, the transactions established a valid assignment to Proveedores and a license back to UDBC -- not an "assignment in gross."

#### E. There is No Basis to Invalidate the License and Sublicense Nunc Pro Tunc

Respondent contends that the written license and sublicense *nunc pro tunc* contained in Exhibits 14 and 15 to the Muniz Testimony should either be accorded no probative value or found invalid because they were not produced in discovery and were executed three years after the verbal license and sublicense were granted. As Respondent well-knows, however, those written licenses could not have been produced in discovery because they were created after discovery closed. See Respondent's Brief, at p. 20-21. That is, the original license and sublicense of the ECONOMY RENT-A-CAR mark were oral agreements. See Muniz Testimony (TTABVUE 39), at p. 29, line 13 to p. 31, line 20. Although Muniz originally believed the grant of those oral licenses was sufficient, when Respondent three years later filed a summary judgment motion questioning Petitioner's rights in the mark, he executed written licenses nunc pro tunc to memorialize the pre-existing verbal authorizations. Id. Respondent claims unfair surprise by Petitioner's production of the licenses nunc pro tunc. However, Respondent admits that it had a copy of both licenses since the briefing of its summary judgment motion – well in advance of the testimonial deposition of Petitioner. Additionally, Respondent had a full and complete opportunity to examine Petitioner on both the oral and written licenses and did, in fact, do so. Respondent, of course, also could have moved to reopen discovery aimed at the licenses in question had it actually believed such discovery was needed, but at no point did Respondent ever attempt to do so.

Apart from falsely maintaining that the licenses *nunc pro tunc* were belatedly produced, Respondent cites no evidence to refute the oral license from Proveedores and oral sublicense to Petitioner of the ECONOMY RENT-A-CAR mark and/or the grant of those licenses on December 10, 2010. *See* Respondent's Brief, at p. 20-21. Thus, the Board need not even consider the license and sublicense *nunc pro tunc* because the unrebutted oral license and sublicense conclusively establish Petitioner's priority. *See Giersch v. Scripps Networks, Inc.*, 90 U.S.P.Q.2d 1020, 1024 (TTAB, 2009) (recognizing oral license); 3 *McCarthy on Trademarks and Unfair Competition* § 18:43 (4th ed. 2015) (trademark license may be oral).

Nonetheless, *nunc pro tunc* agreements are a well-accepted manner in which a party may reflect what actually occurred or was intended to occur on past dates. *See, e.g., Hotel Corp. of Am. v. Inn Am., Inc.*, 153 U.S.P.Q. 574, 578 (TTAB, 1967) (upholding *nunc pro tunc* agreements signed nine days before the taking of applicant's testimony because they reflected what actually occurred or was intended to occur on those past dates). Here, the *nunc pro tunc* agreements made effective December 10, 2010 simply reflect the undisputed oral license from Proveedores and oral sublicense to Petitioner of the ECONOMY RENT-A-CAR mark, as granted on that date. *See* Exhibits 14 and 15 to the Confidential Testimony of A. Muniz (TTABVUE 39). They are valid licenses *nunc pro tunc* and, along with the unrebutted evidence of the oral licenses of the ECONOMY RENT-A-CAR mark, should be given full probative value.

#### F. Petitioner Has Met Its Burden to Prove Priority

Respondent argues that Petitioner has not met its burden to prove priority because: (1) it did not acquire a proprietary interest in the ECONOMY RENT-A-CAR mark prior to Respondent's priority date; and (2) UDBC's use of the pleaded mark was not sufficient to establish a trade identity prior to Respondent's priority date. Both arguments are unavailing.

First, contrary to Respondent's assertion, there is no requirement that Petitioner prove that it acquired its own proprietary interest in the pleaded mark "prior to Respondent's priority date." See Respondent's Brief, at p. 22. Respondent cites Top Tobacco LP v. North Atlantic

Operating Co., 101 U.S.P.Q.2d 1163, 1169 (TTAB 2001) for that proposition; however, that case did not involve a claim based on a predecessor-in-interest's priority trademark rights, as here. It is, of course, well-settled that a party may rely on whatever priority trademark rights that its predecessor had in a mark. See 3 J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition § 18:15 (4th ed. 2013) (recognizing, for example, that following the proper assignment of a trademark and its goodwill, an assignee "succeeds to all the rights and priorities" of the assignor); J.S. Paluch Co. v. Irwin, 215 U.S.P.Q. 533, 538 n.6 (TTAB 1982) (purchaser of trademark and associated goodwill was "entitled to rely upon the open and public prior use by its predecessor in interest regardless of whether that use was in the manner of a trademark or was only use as a trade name and in advertising."). Thus, Petitioner, as a licensee of the ECONOMY RENT-A-CAR mark, may assert the priority rights that its predecessor-ininterest, UDBC, held in the mark (and Petitioner need not be an exclusive licensee to do so). See, e.g., H-D Michigan, Inc. v. Boutique Unisexe El Baraka, Inc., 2004 WL 2368469, \*2, 4-8 (TTAB May 18, 2004) (allowing licensee to rely on predecessor-in-interest's use of the mark to establish priority; no requirement that the license be exclusive); McNeil-PPC, Inc. v. Walgreen Co., 2013 WL 223400 (TTAB Sept. 19, 2007) (allowing licensee to rely on its predecessor's prior use to establish priority). Respondent's insistence that Petitioner must establish its own proprietary interest in the pleaded mark that predated Respondent's claimed priority date is flatly contradicted by well-established Board precedent.

Second, Respondent's argument that UDBC's activities had to establish a trade identity prior to Respondent's claimed priority date is entirely misplaced. For that proposition, Respondent cites cases concerning priority established only by use analogous to trademark use. *See* Respondent's Brief, at p. 24. Petitioner, however, is relying on UDBC's *technical use* of ECONOMY RENT-A-CAR as a service mark for car rental services since 1994 (a mark that Respondent, having admitted is at least "suggestive," is also inherently distinctive). As

Respondent's concedes, "prior use of a technical trademark [or service mark]" is sufficient to establish prior rights. *See* Respondent's Brief, at p. 23.

"A party obtains rights in an inherently distinctive term when it first uses it as a trademark; if a mark is not inherently distinctive, its rights accrue at the point that the term acquires distinctiveness as a source indicator." Manufacturers Tech. Inst., Inc. v. Pinnacle College, LLC, 2013 WL 5402083, \*4 (TTAB, Sept. 4, 2013). Here, Respondent's Brief does not directly raise an issue as to the distinctiveness of the pleaded mark and, as already noted, is one which Respondent has previously admitted that ECONOMY is at least "suggestive" for car rental services. See Petitioner's NOR, Response to Admission Reg. No. 73; Giersch, supra, 90 U.S.P.Q.2d at 1023 (absent argument or evidence from respondent, petitioner's mark deemed distinctive). Because there is no dispute that the pleaded mark is an inherently distinctive mark, Petitioner need not establish that the mark acquired secondary meaning - or much less that UDBC's mark acquired "priority of secondary meaning." See Henry I. Siegel Co. v. M & R Int'l Mfg. Co., 4 U.S.P.Q.2d 1154, 1160 (TTAB 1987) (noting that petitioner had an inherently distinctive mark at the time of its first use and rejecting respondent's argument that, in order to prove priority, petitioner had to show that its mark had acquired secondary meaning prior to respondent's first use). In other words, UDBC's trademark rights in the mark ECONOMY RENT-A-CAR accrued when UDBC first used it as a service mark.

The record is undisputed that UDBC adopted and continuously used the pleaded mark ECONOMY RENT-A-CAR in connection with car rental services since at least as early as 1994 – more than a decade prior to Respondent's own claimed priority date. *See* Martyn Testimony (TTABVUE No. 43), at p. 5, line 25 to p. 6, line 14; p. 7, line 24 to p. 8, line 10; *see also supra*, p. 4. Such was established by the testimony of Bob Martyn, who had been an officer of UDBC from 1993 to 2014 and, as Respondent concedes, was corroborated by the documentary evidence of record, including UDBC's Certificate of Registration for California State Trademark No. 049604, stating that UDBC began first use of the ECONOMY RENT-A-CAR mark in

December 1993. See Exhibit 27 to the Martyn Testimony (TTABVUE 43) and Exhibit 2 to Respondent's NOR; see also National Bank Book Co. v. Leather Crafted Products, Inc., 218 USPQ 826, 828 (TTAB 1993) (oral testimony may be sufficient to prove the first use of a party's mark when it is based on personal knowledge, it is clear and convincing, and it has not been contradicted). Respondent suggests that UDBC's use of ECONOMY RENT-A-CAR did not occur in 1993 because its Fictitious Business Name application included a statement that "Registrant has not begun to transact business under the fictitious business name or names listed herein." See Respondent's Brief, p. 23. However, that statement applied to UDBC's application to use "Robin Hood Rent-A-Car," which, as explained by Bob Martyn, was also a subject of the Fictitious Business Name application - but a name UDBC never used. See Martyn Testimony (TTABVUE 43), p. 90, line 8 to p. 91, line 10. The record also includes testimony that, well-before Respondent's claimed priority date, the ECONOMY RENT-A-CAR mark was displayed on the Rental Car Agreements (and rental receipts) that were provided to customers at least as early as 2000, and the trade name "Economy Rent A Car" (both with, and without, hyphens) was continuously used by UDBC in dealing with its customers and suppliers and on its business communications with others. See Martyn Testimony (TTABVUE No. 43), at p. 36, line 3 to p. 37, line 1 and Exhibit 32 thereto; p. 37, line 2 to p. 39, line 13 and Exhibit 33 thereto. Contrary to Respondent's suggestion, it is irrelevant that UDBC's California State registration expired in 2008 and that its paid advertising in the local Yellow Pages telephone directory of the pleaded mark was limited to the time period between 1997 and 2003. Neither of those facts rebut Bob Martyn's testimony and the documentary evidence demonstrating that UDBC began offering car rental services under the ECONOMY RENT-A-CAR mark in 1993 and continuously used it thereafter.

The undisputed evidence further demonstrates that UDBC made continuous use of the ECONOMY RENT-A-CAR mark on exterior pole signage, as well as in telephone directory advertising and flyers, aimed at the consuming public. See supra, p. 4. UDBC's public

advertising of the pleaded mark, year after year, certainly informed prospective consumers that

UDBC was a source for car rental services. See Malcolm Nicol & Co. v. Witco Corp., 881 F.2d

1063, 1064-66 (Fed. Cir. 1989) (affirming Board's finding that advertising in annual trade

publication well-prior to respondent's first use, coupled with deposition testimony, established

petitioner's priority). Accordingly, in addition to making prior technical use of the mark, the open

and notorious promotional activities for over a decade prior to Respondent's own priority date

were certainly sufficient to establish priority by Petitioner's predecessor and Petitioner may

properly rely on those prior rights in this case.

II. CONCLUSION

In view of the foregoing, together with the evidence and arguments set forth in

Petitioner's previously-filed Main Trial Brief, the Board is requested to grant the petition and

cancel Trademark Registration No. 3,256,667 accordingly.

Dated: Dec. 3, 2015

Respectfully submitted,

/Melissa Alcantara/

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Counsel for Petitioner

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#### **CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a true and correct copy of the foregoing

PETITIONER ECONOMY RENT-A-CAR, INC.'S TRIAL REPLY BRIEF was served this 3rd day

of Dec., 2015, upon Respondent's counsel of record, *via* first class mail, postage prepaid, and

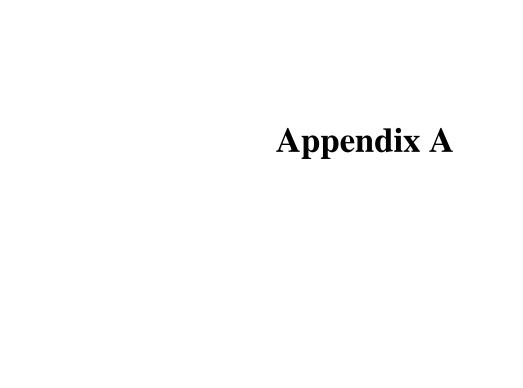
email as identified below:

Peter S. Sloane Cameron Reuber Victoria Polidoro LEASON ELLIS LLP One Barker Avenue, Fifth Floor White Plains, New York 10601 Tel: (914) 288-0022 Fax: (914) 288-0023

Email: sloane@leasonellis.com

/Melissa Alcantara/

Melissa Alcantara



#### **APPENDIX A**

Petitioner provides its reply to Respondent's response to Petitioner's Objections to Exhibits introduced during the trial testimony of A. Kokologiannis as set forth in Petitioner's Appendix B to its Trial Brief:

#### Exhibit 4

Respondent fails to demonstrate the relevance of the brochure depicted in Exhibit 4. The brochure does not show the registered mark that is at issue in this proceeding and it does not even show the term "Economy" being used as a mark. Additionally, Respondent has admitted that the brochure "was never distributed by or on behalf of Registrant in the United States," and there is no testimony or other evidence demonstrating that the brochure was actually ever seen or encountered by any U.S. customers. See Response to Admission Req. No. 25 (Respondent's Answers To Petitioner's Second Request For Admissions), submitted under Exhibit D to Petitioner's Notice of Reliance (TTABVUE 38). The statement by Respondent's counsel that "U.S. citizens that used Respondent's services abroad would have encountered the mark as seen on the brochure" is mere conjecture on his part and is not admissible to support the introduction of this irrelevant document into evidence.

#### Exhibit 5

Respondent fails to demonstrate the relevance of the screenshot depicted in Exhibit 5. Respondent's counsel argues that "Exhibit 5 is admissible to show that Respondent used its mark on a publicly available website." However, Exhibit 5 does not display the registered mark that is the subject of this Cancellation proceeding. Moreover, in the absence of any evidence that the foreign website that is depicted in the screenshot (<a href="www.pangosmio.gr">www.pangosmio.gr</a>) was ever published in the U.S. by the Respondent, counsel's statement that the "Exhibit shows what Respondent's website looked like to consumers in the U.S." is mere conjecture on his part and is not admissible to support the introduction of this document into evidence.

#### Exhibit 6

Respondent fails to demonstrate that the document depicted in Exhibit 6, which contains website screenshots from the Internet Archive, as well as typewritten commentary from an unknown person, is admissible evidence. Although a document obtained from the Internet may be admitted into evidence if it is publicly available, as well as identifies its date of publication or the date it was accessed and printed and its source (URL), pursuant to *Safer, Inc. v. OMS Investments, Inc.*, 94 U.S.P.Q.2d 1031 (TTAB 2010), Exhibit 6, which contains typewritten notations by an unidentified author, was <u>not</u> obtained from the Internet, nor is it a publicly available document. Instead, Exhibit 6 was created for the purpose of this litigation and, thus, is not self-authenticating under *Safer* or any other rule of evidence.

Additionally, the typewritten notations within the document constitute hearsay under Fed. R. Evid. 801--rendering that document inadmissible under Fed. R. Evid. 802. Respondent fails to demonstrate that the document falls into any exception to the rule against hearsay and, therefore, Exhibit 6 should be disregarded by the Board.

Even if the Board were to find that Exhibit 6 fell within some exception to the hearsay rule (and it does not), the document was certainly not authenticated by Indeed, the testimony of Aorgios Kokologiannis fails to competent testimony. authenticate even the screenshots shown in the document because he is not an employee of the Internet Archive—the purported source for those screenshots. See Specht v. Google, Inc., 758 F. Supp. 2d 570, 580 (N.D. III. 2010) (holding that screenshots from the Internet Archive are properly authenticated by a knowledgeable employee of the Internet Archive); Audi AG v. Shokan Coachworks, Inc., 592 F. Supp. 2d 246, 278 (N.D.N.Y. 2008) (stating that search results from the Internet Archive (www.archive.org) may only be authenticated by a knowledgeable employee of the website); St. Luke's Cataract and Laser Institute, P.A. v. Sanderson, Case No. 8:06-cv-223-T-MSS, 2006 WL 1320242, \*2 (M.D. Fla. May 12, 2006) (stating that, to authenticate printouts from the Internet Archive, "Plaintiff must provide the Court with a statement or affidavit from an Internet Archive representative with personal knowledge of the contents of the Internet Archive website.").

Lastly, the document must be excluded because Respondent never produced it in discovery despite it being responsive to Petitioner's discovery demands. Respondent argues after-the-fact that Petitioner's Document Request No. 51 did not clearly encompass Exhibit 6. However, any review of Respondent's response to that Document Request reveals that Respondent itself understood Petitioner's Document Request No. 51 to encompass webpages. *See* Response to Document Request No. 51, attached within Appendix F. Accordingly, to the extent that Respondent failed to produce any of the screenshots depicted in Exhibit 6 in response to Petitioner's request, Respondent should not be allowed to rely on those screenshots now.

#### Exhibit 14

Respondent fails to demonstrate that the document depicted in Exhibit 14, which contains <u>undated</u> website screenshots, as well as typewritten commentary from an unknown person, is admissible evidence. In view of the commentary on Exhibit 14, that document was clearly created for the purpose of this litigation and is, therefore, not self-authenticating under *Safer* or any other rule of evidence. *See Safer, Inc. v. OMS Investments, Inc.*, 94 U.S.P.Q.2d at 1039 (document obtained from the Internet may be admitted into evidence under a notice of reliance if it is publicly available, identifies its date of publication or the date it was accessed and printed, and its URL).

Additionally, the typewritten commentary by an unknown and unidentified author contained within Exhibit 14 renders the Exhibit inadmissible because it plainly constitutes hearsay under Fed. R. Evid. 801, and the Respondent has asserted no argument that the document falls within any exception to the rule against hearsay. Thus, Exhibit 14 is not admissible evidence and should be disregarded by the Board.

Respondent's only argument in support of the admission of Exhibit 14, namely, that the screenshots contained within the Exhibit were authenticated by A. Kokologiannis is without merit--not only because it fails to address the hearsay problem with the document, but also because the testimony of Kokologiannis failed to authenticate the screenshots contained in Exhibit 14. Material from the Internet may be authenticated through testimony if that testimony comes from a person who testifies that (s)he downloaded and printed out the documents, and testifies as to the nature, source and date of access of the Internet webpages. Chamber of Commerce of the United States of America v. U.S. Hispanic Chamber of Commerce, 2012 WL 8254590, \* 16 n.20 (TTAB Dec. 2, 2010); Rosa v. Vargas, 2014 WL 3421517, \*2 (TTAB June 27, 2014) (Internet evidence may be introduced "through the testimony of a person who can properly authenticate and identify the materials, including the nature, source and date of the materials); see generally TBMP § 704.08(c). In the testimony cited by Respondent (Kokologiannis Testimony, p. 100, line 15 to p. 102, line 24), Aorgios Kokologiannis never testified that he personally downloaded and printed the screenshots that appear in Exhibit 14 (or otherwise identified who printed it), and he never provided testimony concerning when those webpages were published to the public or even accessed. The screenshots themselves do not bear any such date. Accordingly, the Kokologiannis testimony fails to authenticate the screenshots contained in Exhibit 14, and the Exhibit should be disregarded by the Board. See Starbucks U.S. Brands LLC v. Ruben, 78 U.S.P.Q.2d 1741, 1748 (TTAB 2006) (refusing to consider printouts of Internet websites which were not introduced by a person with first-hand knowledge who searched for and downloaded the information).

Lastly, even if the document were admissible for the screenshots contained within it (and it is not), it would only be admissible for what those screenshots show on their face. Board of Trustees of the University of Alabama v. Pitts, 107 U.S.P.Q.2d 2001, 2007 n.8 (TTAB 2013). Respondent argues at pages 8 and 28 of its Brief that Exhibit 14 shows use of the Respondent's mark on its affiliates' websites. However, none of the screenshots within Exhibit 14 appear to be from any website owned or published by Respondent's affiliates. Further, although Respondent's counsel argues in Respondent's Appendix A that the screenshots show that Respondent's "services are directed to customers in the United States," there is nothing on the face of that undated document that shows when those webpages were purportedly displayed to (or accessed by) U.S. consumers. Finally, given Respondent's express admission that it did not use its registered mark until February 5, 2013, the webpages shown within Exhibit 14 could not have been in use before that date.

#### Exhibit 15

Respondent's Brief does not cite or otherwise rely on Exhibit 15. Nonetheless, Respondent has not demonstrated that the document comprising Exhibit 15 falls into the business record exception to the hearsay rule. For the document to fall under the exception, Respondent must demonstrate that the document was generated in the course of regularly conducted business activities. *Kohler Co. v. Baldwin Hardware Corp.*, 82 U.S.P.Q.2d 1100, 1105 (TTAB 2007). However, in the testimony cited by Respondent (Kokologiannis Testimony, p. 103, line 21 to page 105, line 15), Aorgios

Kokologiannis never testified that Exhibit 15 was generated in the course of regularly conducted business activities. *See* Kokologiannis Testimony, at p. 103, line 21 to p. 105, line 15. Instead, he testified that the document was printed in connection with this case. *Id.* at p. 104, lines 11 to 16. "[A] record created expressly for litigious rather than business purposes is not admissible under the business records exception to the hearsay rule." *Pfizer Inc. v. Cody John Cosmetics, Inc.*, 211 U.S.P.Q. 64, 67 n.3 (TTAB 1981). Accordingly, Exhibit 15 is hearsay, is not subject to the business record exception to the hearsay rule, and is inadmissible.

#### Exhibit 20

Respondent's Appendix A does not refute Petitioner's objections to Exhibit 20. Accordingly, those objections should be sustained and that Exhibit should be disregarded by the Board.

#### Exhibit 23

Respondent's Brief does not cite or otherwise rely on Exhibit 23. Nonetheless, Respondent fails to demonstrate that Exhibit 23 is admissible evidence. Respondent does not argue that the document is self-authenticating, and printouts of Internet webpages that are not self-authenticating are admissible only if they are introduced and authenticated via the testimony of the person who downloaded and printed the webpage, and who can then identify the nature, source and date of the material. See Chamber of Commerce of the United States of America, 2012 WL 8254590 at \* 16; Starbucks U.S. Brands LLC v. Ruben, 78 U.S.P.Q.2d at 1748. However, in the testimony cited by Respondent (Kokologiannis Testimony, p. 145, line 12 to page 146, line 8 and page 146, lines 16 to 20), Aorgios Kokologiannis never testified that he personally downloaded and printed the webpages that appear in Exhibit 23. That person also did not testify that the webpages depicted in the Exhibit were actually published on the Internet and, if so, when they were published. In addition, the webpages do not contain a URL or a printout date. Accordingly, the document (which is not self-authenticating) has not been authenticated by competent testimony and it should be disregarded by the Board.

#### Exhibit 25

Respondent's Appendix A does not refute Petitioner's objections to Exhibit 25. Accordingly, Petitioner's objections should be sustained and the Exhibit should be disregarded by the Board.

# Redacted Appendix B Highly Confidential

## **Appendix C**

#### **APPENDIX C**

Petitioner provides its reply to Respondent's response to Petitioner's Objections to the Wäxby Affidavit as set forth in Petitioner's Appendix D to its Trial Brief:

#### Wäxby Affidavit

Respondent fails to demonstrate that the statements in Paragraph 6 of the Affidavit of Micael Wäxby are admissible. Respondent's counsel contends that Wäxby's statements at Paragraph 2, namely, that he has "personal knowledge" of the facts within the Affidavit, provide the foundation for the statements made within Paragraph 6. However, the statements within Paragraph 6 are not "facts." Paragraph 6 merely contains Wäxby's own estimate as to the amount allegedly spent by Emm. Kokologiannis & Sons S.A. to develop its U.S. business.

Wäxby's Affidavit says nothing about how that estimate was calculated. Although Wäxby states that he has worked on Respondent's account for 12 years, that does not mean that he has personal knowledge of the amounts that Respondent spent toward developing its U.S. business. Indeed, nowhere in the Wäxby Affidavit does he state that he has personal knowledge of the amounts paid by Emm. Kokologiannis to SoftIT or that he has any responsibility for the accounting of the firm. Wäxby's Affidavit also fails to attach any documents to corroborate his estimate, and he does not state that he formed that estimate based on the review of any records or files. Respondent's counsel comments that Wäxby had a "close connection to the work performed for Respondent," but that commentary is beyond what is actually stated in Wäxby's Affidavit. Given Wäxby's own statements that "it is not possible to quantify the exact amount specifically dedicated to IT systems" for Economy Car Rentals' U.S. business, Wäxby's failure to demonstrate that he has personal knowledge of the facts supporting the statement in Paragraph 6 render that paragraph inadmissible. The statement by Respondent's counsel that it "may be difficult to parse out how much of Respondent's total investment is directed to US customers" confirms the unreliability of Wäxby's unsupported estimate and that Paragraph 6 to the Wäxby Affidavit should be given no consideration by the Board.

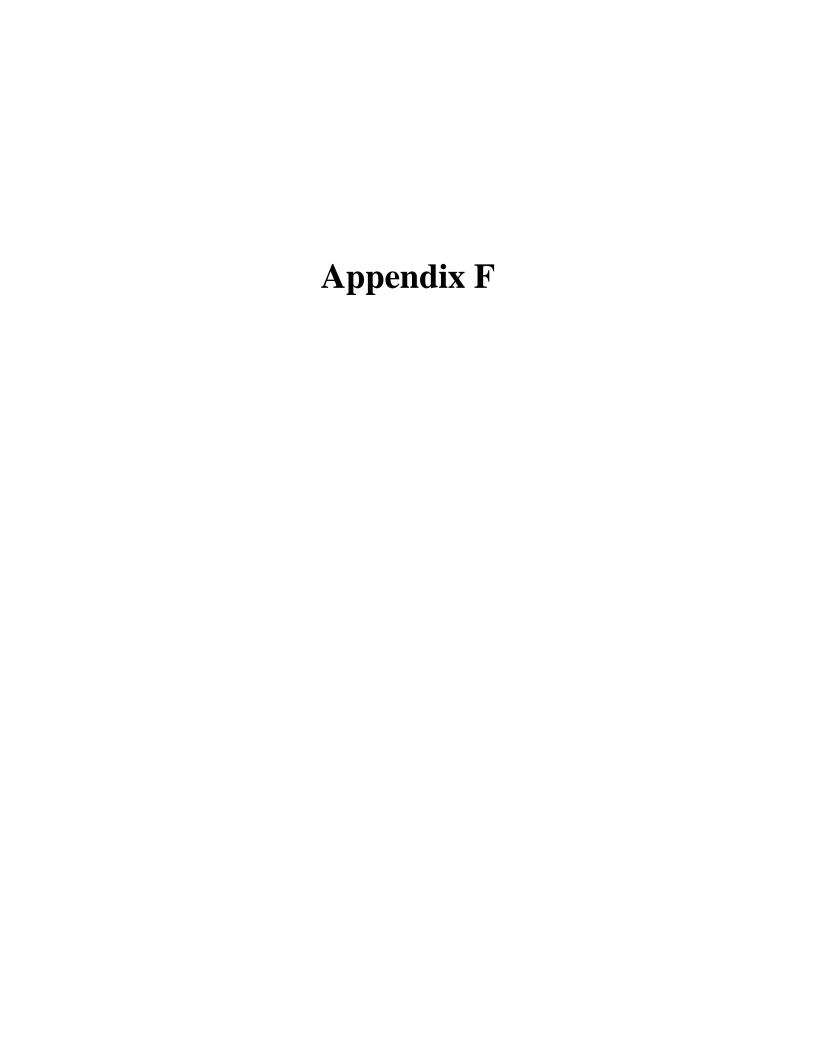
## Redacted

## **Appendix D**

**Trade Secret / Commercially Sensitive** 

# Redacted Appendix E

Confidential / Attorneys' Eyes Only



### IN THE UNITED STATES PATENT AND TRADEMARK OFFICE BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

ECONOMY RENT-A-CAR INC.

Petitioner,

v.

EMMANOUIL KOKOLOGIANNIS AND SONS, SOCIETE ANONYME OF TRADE, HOTELS AND TOURISM S.A.

Respondent.

Cancellation No. 92055558

Registration No. 3256667

## RESPONDENT'S ANSWER TO PETITIONER'S THIRD REQUEST FOR PRODUCTION OF DOCUMENTS AND THINGS

Pursuant to Rule 34 of the Federal Rules of Civil Procedure, Respondent has been requested to produce, for inspection and copying, at the offices of Dickinson Wright PLLC, the following documents and things.

To the extent that Respondent contends that any document requested is confidential, Petitioner agrees to receive such documents under the terms of the Protective Order that is already in place in this proceeding.

#### I. DEFINITIONS

Unless otherwise indicated in Respondent's answer to an individual document request, this response to Petitioner's request for documents is to be interpreted pursuant to the Definitions set forth in Petitioner's Second Request for Production of Documents and Things, with the following exceptions. Respondent objects to the provision of computer disks, diskettes, drives, drums, input memory, magnetic tapes, microfilm, microfiche, object

#### **DOCUMENT REQUEST NO. 51:**

To the extent that Registrant has used any advertisements, other than the webpage document produced in response to Petitioner's Document Request No. 6(b), to promote vehicle rental services in the United States, produce a true and correct copy of each such document.

#### Answer:

Petitioner's Document Request No. 51 clearly suggests that for purposes of this Document Request, a web page promoting Registrant's services is considered to be an "advertisement." Petitioner is already informed, by Registrant's answer to Petitioner's Interrogatory No. 7, that "Registrant has created and manages more than 3000 unique web pages providing information designed to build the reputation of the Registrant's Mark," related to its more than 300 service points within the United States. Therefore, Registrant objects to providing "each such document" used to promote vehicle rental services in the United States, because they are too numerous and too voluminous in terms of electronic file size, as well as over-inclusive given the needs of this proceeding. Therefore, Registrant is producing a list of 3,830 different web page URLs that relate to US rental locations, in lieu of "each such document" that is a web page itself.

Petitioner is already informed, as well, by Registrant's answer to Petitioner's Interrogatory No. 7, that Registrant advertises vehicle rental services in the US by means

of videos posted on Registrant's YouTube channel, and by content posted on Registrant's

Facebook page, blog, and Twitter page. Registrant is producing a document comprising

screenshots of such social media advertising.

Furthermore, promoting vehicle rental services in the United States includes advertising

to US residents with a mechanism to purchase services from Registrant, regardless of

the location where the purchaser uses the rented vehicle. Therefore, any advertisement

by Registrant that promotes vehicle rental services and is accessible for US residents is

also responsive to Document Request No. 51, and documents evidencing such

advertisement have been produced, and are being produced, in response to other of

Petitioner's Document Requests.

In response to Document Request No. 51, Registrant is producing the following

documents.

Exhibit 34: List of 3,830 different web page URLs for web pages that promote

Registrant's vehicle rental services provided at locations in the United States

Filename: Exhibit-34-3830-web-URLs-promoting-USA.pdf

Exhibit 35: Screenshots of social media pages that promote Registrant's vehicle rental

services provided at locations in the United States

Filename: Exhibit-35-ECR-social-media-pages.pdf

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## **Appendix G**

#### 2009 WL 1068777 (Trademark Tr. & App. Bd.)

#### THIS OPINION IS NOT A PRECEDENT OF THE TTAB

Trademark Trial and Appeal Board

Patent and Trademark Office (P.T.O.)

A.V. Brands, Inc. 1

V

Spirits International, B.V.<sup>2</sup>

Cancellation No. 92043340
March 31, 2009
Hearing: December 11, 2008

\*1 Andrew C. Aitken of Venable LLP for A.V. Brands, Inc. Lisa Pearson of Kilpatrick Stockton LLP for Spirits International, B.V.

Before Hairston, Grendel and Holtzman Administrative Trademark Judges Opinion by Grendel Administrative Trademark Judge:

#### Introduction

In this cancellation proceeding, A.V. Brands, Inc. (having been substituted for original petitioner A.V. Imports, Inc., as discussed below and supra at footnote 1) is the petitioner. We shall refer as appropriate to both A.V. Brands, Inc., the substituted petitioner, and A.V. Imports, Inc., the original petitioner, as "petitioner" except where it is helpful to distinguish the two for purposes of clarity.

The respondent in this proceeding is Spirits International, B.V. (having been substituted for original respondent Spirits International N.V., as discussed supra at footnote 2).

Respondent owns Registration No. 1487042, which is of the mark **RUSSKAYA** (registered in typed or standard character form) for goods identified in the registration as "vodka." The registration was issued on May 3, 1988, on the Principal Register. The registration has been renewed.

On May 19, 2004, original petitioner A.V. Imports, Inc. filed a petition for cancellation of respondent's registration, alleging abandonment as the ground for cancellation. In the petition to cancel, original petitioner A.V. Imports, Inc. alleged that it is the owner of intent—to-use application Serial No. 76573600 (the '600 application), filed on January 30, 2004, by which it seeks registration of the mark **RUSSKAYA** (in typed or standard character form) for "vodka." <sup>3</sup>

Respondent filed an answer denying the salient allegations of the petition to cancel.

Both parties submitted evidence at trial. The case is fully briefed. An oral hearing was held on December 11, 2008 at which counsel for both parties appeared and presented arguments.

The evidence of record consists of the pleadings and the file of respondent's involved registration; petitioner's three notices of reliance with Exhibits A-R; petitioner's testimony deposition of Andrew Smith and exhibits thereto; respondent's notice of reliance Exhibit Nos. 1-41; respondent's testimony deposition of Alexey Oliynik and exhibits thereto; respondent's testimony deposition of Oleg Gusev and exhibits thereto; respondent's testimony deposition of Mikhail Tsyplakov and exhibits thereto; and respondent's testimony deposition of William A. Finkelstein and exhibits thereto.

Petitioner's objections to Mr. Olivnik's testimony deposition are overruled.

\*2 At the outset, a brief introduction and overview of the issues and arguments presented in this case will be helpful.

The record shows that respondent (together with its related companies, referred to collectively as "SPI") is a large international company engaged primarily in the production and sale of various spirits, including Russian vodkas. (Gusev Depo. at 7.) As stated in respondent's brief at 7 (and undisputed by petitioner),

SPI owns a portfolio consisting of hundreds of trademark registrations, in various countries around the world, for its popular vodka products (collectively, the "Vodka Marks"). ... The famous brands STOLICHNAYA, RUSSKAYA and MOSKOVSKAYA are among these registered Vodka Marks. ... These three brands have been consistently ranked among the top distilled spirits brands in the world.

As discussed in more detail below, respondent's chain of title to the Vodka Marks originated in the early 1990's with the privatization of the previously state-owned Russian vodka industry, which itself occurred as part of the general process of privatization in Russia and the former Soviet Union known as *perestroika*.

Respondent contends that, beginning in 2000, the Russian Federation began efforts to re-nationalize these privatized industries, including the vodka industry. Respondent contends that, as part of this re-nationalization effort, the Russian Federation, acting through various proxies such as petitioner, has orchestrated a worldwide campaign to recapture for the Russian Federation the Vodka Marks owned by respondent. Respondent contends that this cancellation proceeding is merely "one front" in that worldwide campaign.

Petitioner bases its petition for cancellation on the ground that respondent has abandoned the registered RUSSKAYA mark in the United States due to nonuse for at least three consecutive years.

Respondent in turn contends that its nonuse is excusable, citing its uncertainty about its rights in the mark which has been generated by the worldwide litigation between respondent and the Russian Federation and its proxies over ownership of the Vodka Marks. Respondent also contends that it has always maintained an intent to resume use of the mark in the United States.

Petitioner responds by arguing that the foreign litigation involving the Vodka Marks does not excuse respondent's failure to use the RUSSKAYA mark in the United States. Petitioner also contends that respondent has failed to prove its continued intent to use the mark during the period of nonuse. Accordingly, petitioner argues, respondent has abandoned the mark.

Finally, respondent argues that petitioner lacks standing to petition for cancellation of respondent's registration because petitioner's pleaded  $_{600}$  intent-to-use application, which is the basis of petitioner's claim of standing, is void due to an allegedly invalid assignment which occurred during the pendency of this proceeding.

#### **Preliminary Matters**

\*3 Before we reach the merits of the case, we shall rule on two pending motions which were deferred until final hearing by order of the Board dated September 4, 2008. We also address an additional issue raised by respondent in its brief.

#### **Petitioner's Motion to Substitute**

On February 15, 2008, after the close of the discovery and testimony periods, original petitioner A.V. Imports, Inc. filed a motion to substitute A.V. Brands, Inc. as petitioner. The motion was accompanied by a copy of an assignment of the RUSSKAYA mark and the pleaded '600 application, inter alia, from A.V. Imports, Inc. to A.V. Brands, Inc. The Office's electronic records show that the assignment was recorded in the USPTO Assignment Branch on February 15, 2008, at Reel 3720, Frame 0197. (We shall further discuss this assignment below, in connection with the issue of petitioner's standing.)

Respondent did not contest petitioner's motion to substitute.

In view of petitioner's submission of proof of the assignment, and in view of respondent's failure to oppose the motion to substitute, we grant the motion to substitute. *See Societe des Produits Nestle S.A. v. Basso Fidele & Figli*, 24 USPQ2d 1079 (TTAB 1992); TBMP §512.01. A.V. Brands, Inc., as assignee, is now the petitioner of record and steps into the shoes of original petitioner A.V. Imports, Inc. *See* Trademark Rule 3.71(d), 37 C.F.R. §3.71(d).

#### "Undisclosed Real Party in Interest"

We now address an additional matter pertaining to the identity of the party plaintiff in this case. At pages 4-7 of its trial brief, respondent contends that there is an "undisclosed real party in interest" in this case, i.e., a Russian Federation state-owned company called Federal Treasury Enterprise Sojuzplodoimport ("FTE"). (We shall have more to say about FTE below, in connection with petitioner's abandonment claim.) Respondent contends that FTE, by virtue of certain contractual relationships it has with petitioner, has "a direct interest in the outcome of this proceeding" because FTE claims its own licensor/ownership rights in the RUSSKAYA trademark, and because FTE is or will be the source of the Russian vodka that will be imported and distributed in the United States by petitioner under that mark. Respondent contends that "[f]or purposes of this proceeding, FTE and Petitioner have closely aligned interests, and Petitioner is acting on their joint behalf." (Brief at 7.)

To the extent, if any, that respondent is attempting by these contentions to assert "failure to join a party under Rule 19," as a defense to the petition for cancellation under Fed. R. Civ. P. 12(b)(7), respondent has waived such defense due to its failure to raise the defense either in its answer or by a proper motion prior to or at trial. See Fed. R. Civ. P. 12(h)(2). To the extent, if any, that respondent is attempting by these contentions to move to join FTE as a party plaintiff, the motion is denied. See Avia Group International Inc. v. Faraut, 25 USPQ2d 1625 (TTAB 1992)(respondent's motion to join petitioner's licensor as party plaintiff denied).

#### Respondent's Motion To Strike

\*4 With its May 30, 2008 reply brief on the case, petitioner submitted the May 30, 2008 declaration of its counsel Andrew C. Aitken, together with an exhibit thereto consisting of a copy of an Asset Purchase Agreement, dated September 18, 2007, between original petitioner A.V. Imports, Inc. (and its principals), and substituted petitioner A.V. Brands, Inc.

On June 11, 2008, respondent filed a motion to strike the Aitken declaration and the exhibit thereto, on the ground of untimeliness, inter alia. Petitioner filed a brief in opposition to the motion to strike, in which it conceded the untimeliness of the proffered evidence. Respondent filed a reply brief in further support of its motion to strike.

We grant respondent's motion to strike. The Aitken declaration and accompanying exhibit were not made of record at trial, and they may not be made of record by attachment to petitioner's reply brief. *See* TBMP §704.05(b). Moreover, the parties have not stipulated that testimony may be offered by way of declaration. *See* Trademark Rule 2.123(b); 37 C.F.R. §2.123(b). Accordingly, we have given this material no consideration. *See* TBMP §539.

#### The Merits

We turn now to the merits of this case. "For a petitioner to prevail in a cancellation proceeding, it is incumbent upon that party to show (1) that it possesses standing to challenge the continued presence on the register of the subject registration and (2) that there is a valid ground why the registrant is not entitled under law to maintain the registration." *Lipton Industries, Inc. v. Ralston Purina Company*, 670 Fed.2d 1024, 213 USPQ 185, 187 (CCPA 1982). Each of these issues, standing and ground, is disputed by the parties. We shall address each in turn.

#### **Standing**

Section 14 of the Lanham Act, 15 U.S.C. §1064, provides that a petition for cancellation of a registration may be filed by "any person who believes he is or will be damaged by the registration of a mark...." A petitioner for cancellation has standing if it pleads and proves that it has a real interest in the outcome of the proceeding, beyond that of the general public. "The purpose in requiring standing is to prevent litigation where there is no real controversy between the parties, where a plaintiff, petitioner or opposer, is no more than an intermeddler." *Lipton Industries, supra*, 213 USPQ at 189.

Petitioner bears the burden of proving its standing at trial as an element of its case-in-chief. "The facts regarding standing, we hold, are part of a petitioner's case and must be affirmatively proved." *Id.* Standing may be established by, inter alia, proof that petitioner has filed an application for registration of a mark which has been rejected by the Office based on respondent's registration. *Id.* This includes an intent-to-use application. *See American Vitamin Products Inc. v. DowBrands Inc.*, 22 USPQ2d 1313 (TTAB 1992); *The Hartwell Co. v. Shane*, 17 USPQ2d 1569 (TTAB 1990). Additionally, where (as in this case) the pleaded ground for cancellation is abandonment, standing also may be established even if petitioner is not seeking or is not entitled to its own registration of a mark, if the record shows that the petitioner is engaged in the manufacture and sale of goods which are related to those identified in respondent's registration, and that petitioner has a bona fide intention to use the involved mark in connection with those goods. *See American Vitamin Products Inc. v. DowBrands Inc.*, *supra*.

\*5 Finally, the court in *Lipton Industries* stated as follows with respect to the issue of standing in a case where the pleaded ground for cancellation is abandonment:

In determining the requirements for standing, we have taken into consideration that no ex parte vehicle for removing "dead" registrations from the register is provided in the statute except for the provisions of section 8 (15 USC 1058) requiring an affidavit or declaration of use to be filed during the sixth year of its term. There is no procedure for the Commissioner of Patents and Trademarks to initiate action against defunct marks which appear in registrations. Thus, we believe the public interest is served, contrary to appellant's view, in broadly interpreting the class of persons Congress intended to be allowed to institute cancellation proceedings.

Lipton Industries Co., supra, 213 USPQ at 190.

We consider first whether petitioner has standing by virtue of its pleaded \$\sigma 600\$ intent-to-use application to register the mark RUSSKAYA for vodka. The evidence of record establishes that original petitioner A.V. Imports, Inc., the predecessor in interest of substituted petitioner A.V. Brands, Inc., filed the \$\sigma\_{600}\$ application on January 30, 2004, and that the Office has issued a Section 2(d) refusal of registration based on respondent's prior RUSSKAYA registration, the registration involved in this cancellation proceeding. (Petitioner's first notice of reliance, Exhibits O and P.) Under Lipton Industries, supra, and its progeny, this evidence suffices in the first instance to establish original petitioner A.V. Imports, Inc.'s standing. Moreover, A.V. Brands, Inc., the assignee of the application, succeeds to the rights A.V. Imports, Inc. has based on the application, including its right to rely on the application (and the Office's refusal thereof) to establish its standing in this proceeding. See Trademark Rule 3.71(d).

However, respondent, in its brief on the case, challenges petitioner's standing based on the '600 application. Respondent argues that the '600 application is void, and therefore cannot serve as a basis for petitioner's standing, because it is an intent-to-use application which was assigned in contravention of the requirements of Trademark Act Section 10(a)(1), 15 U.S.C. §1060(a)(1).

As noted above in connection with petitioner's post-trial motion to substitute, the  $_{600}$  application was assigned by A.V. Imports, Inc. to A.V. Brands, Inc. on October 7, 2007. The assignment, in pertinent part, reads as follows:

#### TRADEMARK ASSIGNMENT

THIS TRADEMARK ASSIGNMENT (the "Assignment"), dated as of October 9th 2007 is made by A.V. Imports, Inc., Inc., [sic] a Maryland corporation (the "Assignor"), to and for the benefit of A.V. Brands, inc., a Delaware corporation ("the Assignee").

\*6 WHEREAS, the Assignor has adopted, used and is using, and owns all right, title and interest in and to those certain trademarks and the United States and foreign registrations and applications therefore [sic] as identified on Exhibit A attached hereto (the "Trademarks") [including the RUSSKAYA trademark and application]; and

WHEREAS, in accordance with the terms and conditions of that certain Asset Purchase Agreement, dated as of September 18, 2007 [], by and among the Assignor, Assignee and the stockholders of Assignor, the Assignor desires to assign all its right, title and interest in and to the Trademarks and the goodwill of the business symbolized thereby to Assignee, and Assignee desires to accept such assignment.

NOW, THEREFORE, for good and valuable consideration, receipt and sufficiency of which are hereby acknowledged, the Assignor agrees as follows:

1. The Assignor hereby does irrevocably contribute, assign, transfer and convey as [of] the date hereof, to the Assignee, its successors and assigns, all right, title and interest in and to the Trademarks and the goodwill of the business symbolized thereby, the same to be held and enjoyed by the Assignee, its successors and assigns, as fully and entirely as the same could have been held and enjoyed by the Assignor had this Assignment not been made.

. . .

Initially, we reject respondent's contention (at page 8 of its trial brief) that this assignment document is not properly of record because it was not submitted as evidence at trial. The Board's practice allows for substitution of a party based on an assignment, even if that assignment occurs subsequent to the party's testimony period. See TBMP §512.01. In such situations, the Board does not require the assignee to move to reopen its testimony period to submit the assignment document as trial evidence. The assignment document submitted in support of the motion to substitute will be deemed to be evidence of record at final hearing.

Trademark Act Section 10(a)(1) provides:

A registered mark or a mark for which an application to register has been filed shall be assignable with the good will of the business in which the mark is used, or with that part of the good will of the business connected with the use of and symbolized by the mark. Notwithstanding the preceding sentence, no application to register a mark under section 1051(b) of this title shall be assignable prior to the filing of an amendment under section 1051(c) of this title to bring the application into conformity with section 1051(a) of this title or the filing of the verified statement of use under section 1051(d) of this title, except for an assignment to a successor to the business of the applicant, or portion thereof, to which the mark pertains, if that business is ongoing and existing.

The Board held that an assignment of an intent-to-use application which does not comply with Trademark Act Section 10(a) (1), i.e., which is not "an assignment to a successor to the business of the applicant, or portion thereof, to which the mark pertains, if that business is ongoing and existing," renders the assigned application void. *The Clorox Co. v. Chemical Bank*, 40 USPQ2d 1098 (TTAB 1996).

\*7 Petitioner's '600 RUSSKAYA application, at the time of its assignment from A.V. Imports, Inc. to A.V. Brands, Inc., was an intent-to-use application as to which there had been no filing of an amendment to allege use or a statement of use. It thus is an application of the type contemplated by Trademark Act Section 10(a)(1). However, we cannot conclude on this record that the assignment of the '600 RUSSKAYA application did not comply with the requirement of Trademark Act Section 10(a) (1) that it be "an assignment to a successor to the business of the applicant, or portion thereof, to which the mark pertains, if that business is ongoing and existing."

On its face, the assignment specifically states that it is made "in accordance with the terms and conditions of that certain Asset Purchase Agreement, dated as of September 18, 2007, by and among the Assignor [A.V. Imports, Inc.], Assignee [A.V. Brands, Inc.] and the stockholders of Assignor...." The referenced Asset Purchase Agreement upon which the assignment specifically is based is not of record. <sup>5</sup> However, given the expansive title of the "Asset Purchase Agreement" specifically referenced in the trademark assignment, it is not unreasonable to assume that the "assets" covered by the Asset Purchase Agreement included more than just the trademarks (including RUSSKAYA) and their associated goodwill referred to in the assignment document. It also is not unreasonable to assume that the named purchaser of the assets, A.V. Brands, Inc., would be the successor to the spirits import and distribution business (and assets) of the named seller of the assets, A.V. Imports, Inc., or to that portion of the business (and assets) to which the assigned RUSSKAYA mark pertains. Nothing in the record indicates otherwise.

This case thus is distinguishable on its facts from the situation involved in the Board's prior decision, *The Clorox Co. v. Chemical Bank*. In that case involving an assignment of an intent-to-use application, it was apparent from the face of the assignment document itself (entitled TRADEMARK AND TRADENAME SECURITY ASSIGNMENT AND LICENSE AGREEMENT) that the assignment violated Trademark Act Section 10(a)(1). The assignment's terms specifically included a provision that the business to which the assigned mark pertained was not to be transferred to the assignee, but rather was to be retained by the assignor, which was to "operate its business ... in relation to the goods as heretofore conducted by the Assignor."

In the present case, in contrast, there is nothing on the face of the assignment document which so clearly demonstrates that the assignment violates Section 10(a)(1). Indeed, the specific reference to an expansively-titled "Asset Purchase Agreement" suggests that the assignment of the RUSSKAYA application was merely part of a broader assignment of A.V. Imports, Inc.'s business, including the assets used in connection with the business pertaining to the RUSSKAYA mark.

\*8 For these reasons, we find that petitioner's pleaded '600 RUSSKAYA intent-to-use application was not voided under Trademark Act Section 10(a)(1) by the assignment of the application, prior to the filing of an amendment to allege use or a statement of use, from A.V. Imports, Inc. to A.V. Brands, Inc. A.V. Brands, Inc., as the assignee and current owner of the still-valid application, is entitled to rely on that application (and on the Office's refusal of registration in that application) to establish its standing to petition for cancellation of respondent's RUSSKAYA registration involved in this case.

Additionally and/or alternatively, we find that regardless of the continuing validity of petitioner's '600 RUSSKAYA application, the record establishes that petitioner has standing apart from that application.

As noted above, in a case where the pleaded ground for cancellation is abandonment, a petitioner need not prove that it has a pending application or that it is entitled to registration of the mark. Rather, petitioner's standing can be based on evidence in the record which shows that the petitioner is engaged in the manufacture and sale of goods which are related to those identified in respondent's registration, and that petitioner has a bona fide intention to use the involved mark in connection with those goods. See American Vitamin Products Inc. v. DowBrands Inc., supra.

Respondent's own evidence demonstrates that petitioner has the requisite real interest in the outcome of this proceeding, under *American Vitamin Products Inc.* Exhibit 11 to respondent's first notice of reliance is a copy of a January 15, 2004 application to the Bureau of Alcohol, Tobacco and Firearms ("BATF") for a Certificate of Label Approval ("COLA") for RUSSKAYA vodka, filed by original petitioner A.V. Imports, Inc., A.V. Brands, Inc.'s predecessor in interest in and as to the RUSSKAYA mark. Respondent submitted this evidence to support its contention that the Russian Federation state enterprise FTE (identified in the COLA as petitioner's intended supplier of RUSSKAYA vodka) has an interest in this proceeding. (See the discussion above regarding respondent's "Undisclosed Real Party in Interest" contention.)

However, respondent's Exhibit 11 also is probative evidence that petitioner is engaged in the sale and distribution of the goods covered by respondent's registration, i.e., vodka, and that it intends to use the RUSSKAYA mark in connection therewith. We note in this regard that (as discussed below) respondent itself relies on its own 2005 COLA for RUSSKAYA as evidence (in rebuttal of petitioner's abandonment claim) of its intention to use the mark in connection with vodka.

We find that respondent's Exhibit 11 suffices to establish petitioner's real interest in this case and thus its standing, under *American Vitamin Products Inc.* Additionally, we note that respondent contends at page 7 of its brief that "[f]or purposes of this proceeding, FTE and Petitioner have closely aligned interests, and Petitioner is acting on their joint behalf." Whatever the validity of this statement with respect to FTE, it is essentially an acknowledgement that petitioner (not just FTE) has an interest in this proceeding.

\*9 In summary, we find that petitioner has a real interest in this proceeding by virtue of its ownership of its '600 RUSSKAYA application, which has been refused registration based on respondent's registration. Contrary to respondent's argument, that application was not voided under Trademark Act Section 10(a)(1) when it was assigned from A.V. Imports, Inc. to A.V. Brands, Inc. Additionally, we find that petitioner has a real interest in this proceeding because, as evidenced by respondent's own Exhibit 11 and as essentially acknowledged by respondent in its brief, petitioner is engaged in the sale and distribution of vodka and has an interest in doing so under the RUSSKAYA trademark.

For these reasons, we find that petitioner has standing in this case which entitles it to petition to cancel respondent's registration on the ground of abandonment.

#### **Abandonment**

Having found that petitioner has standing to petition to cancel respondent's registration, we turn now to petitioner's pleaded ground for such cancellation, i.e., its claim that respondent has abandoned the registered RUSSKAYA mark.

Trademark Act Section 14(3), 15 U.S.C. §1064(3), provides that a registration may be cancelled at any time if the registered mark has been abandoned.

In pertinent part, Trademark Act Section 45, 15 U.S.C. §1125, provides:

A mark shall be deemed to be "abandoned" ... [w]hen its use has been discontinued with intent not to resume such use. Intent not to resume may be inferred from circumstances. Nonuse for 3 consecutive years shall be prima facie evidence of abandonment. "Use" of a mark means the bona fide use of such mark made in the ordinary course of trade, and not made merely to reserve a right in a mark.

A petitioner for cancellation of a registration on the ground of abandonment bears the burden of proving such abandonment by a preponderance of evidence. *Cerveceria Centroamericana S.A. v. Cerveceria India Inc.*, 892 F.2d 1021, 13 USPQ 1307 (Fed. Cir. 1989). Once a petitioner for cancellation has established a prima facie case of abandonment, such as by proving registrant's/ respondent's nonuse of the mark for three consecutive years, a rebuttable presumption of abandonment arises. *Id.* The burden of

production then shifts to the respondent to produce evidence sufficient to rebut the presumption of abandonment. *Id.* However, the ultimate burden of persuasion on the issue of abandonment remains with the petitioner. *Id.* 

The respondent may rebut the presumption of abandonment arising from its nonuse of the mark for three consecutive years by presenting evidence showing that its nonuse during that period was excusable, or evidence showing that, during the period of nonuse, it maintained an intent to resume use of the mark. *See Imperial Tobacco Ltd. v. Philip Morris Inc.*, 899 F.2d 1575, 14 USPQ2d 1390 (Fed. Cir. 1990). <sup>6</sup>

\*10 "To prove excusable nonuse, the registrant must produce evidence showing that, under his particular circumstances, his activities are those that a reasonable businessman, who had a bona fide intent to use the mark in United States commerce, would have undertaken." *Rivard v. Linville*, 133 F.2d 1446, 45 USPQ2d 1374, 1376 (Fed. Cir. 1998). To establish that it had or has maintained an intent to resume use of the mark during the period of nonuse, the registrant must come forward with evidence beyond mere conclusory statements or denials that it lacks such intent to resume use. *See Imperial Tobacco Ltd., supra*, 14 USPQ2d at 1394.

#### Prima Facie Abandonment Established

The evidence of record establishes that respondent acquired the RUSSKAYA registration involved in this case on May 10, 2001, by assignment from the registration's prior owner, PepsiCo.

There is no dispute that, after its acquisition of the mark on May 10, 2001, respondent made no use in commerce of the registered RUSSKAYA mark for at least the consecutive three-year period immediately prior to the commencement of this cancellation proceeding on May 19, 2004 ("the nonuse period"). Respondent has presented no evidence of any such use, nor has it contended in its brief that it made any such use.

We find that respondent's nonuse of the registered RUSSKAYA mark in commerce for at least three consecutive years prior to May 19, 2004 is prima facie evidence of abandonment, pursuant to Trademark Act Section 45.

Petitioner having established a prima facie case of abandonment, the burden shifts to respondent to produce evidence sufficient to rebut the prima facie showing of abandonment. Respondent contends that it has presented evidence sufficient to establish that its nonuse of the mark was excusable due to the uncertainty and also the expense resulting from worldwide litigation involving respondent's vodka trademarks. Respondent also contends that, during the period of nonuse, it always maintained an intent to resume use of the mark. We shall consider each of these contentions in turn.

#### Respondent's Excusable Nonuse Claim

Respondent contends that its nonuse of the RUSSKAYA mark in the United States during the relevant May 2001 to May 2004 nonuse period was excusable nonuse. Respondent first contends that its nonuse was based upon a reasonable and prudent business decision to postpone use of the mark until respondent's uncertainty as to its ownership rights in the mark, arising from worldwide litigation with entities connected to the Russian Federation, was abated. Second, respondent contends that its nonuse of the mark is excused by the drain on respondent's financial and manpower assets which was caused by the worldwide litigation, assets which otherwise could have been devoted to building the RUSSKAYA brand in the United States.

\*11 For the reasons discussed below, we find that the evidence of record fails to establish either of these contentions.

The evidence of record (all of which was submitted by respondent) establishes (and we find) the following pertinent facts, which we shall set forth largely in chronological order and in numbered paragraphs for ease of reference later on. Except where otherwise apparent from the context, references to respondent's "Vodka Trademarks" are references to the marks

STOLICHNAYA, MOSKOVSKAYA, and RUSSKAYA. The cited Skurikhin declaration is of record as Exhibit 1 to the Tsyplakov testimony deposition. Mr. Tsyplakov confirmed the accuracy of the facts asserted in the Skurikhin declaration.

1. Under the Soviet Union, the vodka industry was state-run and all vodka product trademarks were owned by state companies. (Skurikhin Decl. ¶ 2.)

- 2. The Vodka Trademarks, including STOLICHNAYA, MOSKOVSKAYA and RUSSKAYA, were registered in the USSR and internationally in the name of Soviet State Enterprise VVO Sojuzplodoimport, or VVO. (Skurikhin Decl. ¶ 3.)
- 3. On May 3, 1988, the RUSSKAYA U.S. registration at issue in this proceeding was issued to VVO. <sup>7</sup>
- 4. In mid-1990, the Soviet Union began privatization of its state-owned industries as part of the process or campaign known as *perestroika*. (Skurikhin Decl. ¶ 4.)
- 5. In December 1991, the Soviet Union was dissolved and was transformed into the Russian Federation. (Skurikhin Decl. ¶ 7.)
- 6. Between September 1990 and January 1992, as part of *perestroika*, VVO, the state-owned vodka company, was privatized and transformed into a private company, VAO Sojuzplodoimport, or VAO. VAO succeeded VVO as the owner of the registered Vodka Trademarks in the Russian Federation. (Tsyplakov Depo. at 22; Skurikhin Decl. ¶¶ 5, 6.)
- 7. In September 1992, VVO assigned the U.S. registration of the RUSSKAYA mark to PepsiCo. <sup>8</sup> (Skurikhin Decl. ¶ 8.)
- 8. From 1993 to 1999, the RUSSKAYA U.S. registration was involved in a TTAB cancellation proceeding brought by a third party (the Pesce cancellation). In 1999 that case was settled in PepsiCo's favor and the cancellation petition was dismissed with prejudice. The parties do not dispute that PepsiCo had continued to use the RUSSKAYA mark during the pendency of the Pesce cancellation proceeding.
- 9. On November 15, 2000, respondent entered into a ten-year exclusive U.S. distribution agreement with Allied Domecq Spirits USA ("Allied"), pursuant to which Allied would import and distribute respondent's vodka products in the U.S. under various of respondent's Vodka Trademarks, specifically including STOLICHNAYA. (Petitioner's Notice of Reliance, Exh. K.) The 2000 agreement did not specifically mention or provide for U.S. distribution of vodka under the RUSSKAYA brand. (Id.; Oliynik Depo. at 12; Gusev Depo. at 8-9.) However, and contrary to petitioner's argument based on the agreement's non-competition clause, neither did the agreement on its face necessarily preclude respondent from U.S. distribution of RUSSKAYA vodka under the agreement at a later time. (Distribution agreement at ¶ 1.4 and 1.17.)
- \*12 10. Meanwhile, on March 13, 2000, as part of a campaign to re-nationalize the industries which had been privatized a decade earlier under *perestroika*, Vladimir Putin, as acting president of the Russian Federation, issued an order directing Russian Federation authorities to take steps to reacquire the Vodka Trademarks for the Russian Federation. (Skurikhin Decl. ¶ 20, Exh. F.)
- 11. On November 20, 2000, the Russian Federation authorities brought suit in the Russian courts (the "Russian litigation") seeking to invalidate the January 1992 transformation of the state enterprise VVO into the private company VAO (see above at paragraph numbered 6), based on VAO's alleged noncompliance in 1992 with a technical provision of the laws governing the privatization process. (Skurikhin Decl. ¶¶ 21-25, Exhs. G-H.)
- 12. On May 10, 2001, during the pendency of the Russian litigation, PepsiCo assigned the RUSSKAYA U.S. registration involved in this proceeding to Spirits International, respondent herein.
- 13. The Russian litigation culminated in an October 16, 2001 decision by The Presidium of the Supreme Court of Arbitration of the Russian Federation, which held that the 1992 transformation of VVO into VAO was invalid, that VAO was not the

legal successor to VVO or its property, and that ownership of such property therefore had remained with the state. (Skurikihn ¶ 26, Exh. I.)

- 14. Respondent "is challenging the validity of the Presidium Decision in proceedings before the European Court of Human Rights." (Skurikhin Decl. ¶ 27.) The record does not show when this challenge was commenced.
- 15. On the basis of the Presidium decision, the Russian Patent Office (on a date which is not apparent from the evidence of record) transferred to the Russian Federation respondent's Russian registrations of the Vodka Trademarks, including the Russian registrations of the STOLICHNAYA, MOSKOVSKAYA and RUSSKAYA marks, which had been acquired by VAO (respondent's predecessor) in 1992 as part of the privatization of the vodka industry. (Skurikhin Decl. ¶ 29.)
- 16. In 2002, the Russian Federation created a state enterprise known by the acronym FTE, which was formed "to take actions outside the Russian Federation in order to recover the trademark rights to the the rights to the famous Vodka Trademarks which allegedly belong to the Russian Federation." (Tsyplakov Depo. at 18.)
- 17. In April 2003, based on the transfer in Russia of the Russian trademark registrations from respondent to the Russian Federation, the Russian Patent Office applied to the World Intellectual Property Organization (WIPO) for recordation of a change of ownership of seven international trademark registrations (including of the RUSSKAYA trademark), naming the state enterprise FTE as owner of the registrations in place of respondent. (Tsyplakov Depo. at 35-39; Exh. 3.) In June 2003, WIPO performed the ministerial acts of recording the change in ownership of the international registrations and of notifying all of the national patent offices in member countries of the change in ownership. (Tsyplakov Depo. at 35-39.)
- \*13 18. In response to WIPO's actions, respondent assertedly has challenged the recordation and has informed WIPO that respondent still claimed ownership of the international registrations. (*Id.* at 39-42.) The date on which respondent took this action is not apparent from the record. Respondent also assertedly has initiated administrative and legal proceedings in the various national extension countries to reclaim its ownership of the international registrations. (*Id.*) The record does not reveal when any of those proceedings were commenced.
- 19. The present TTAB cancellation proceeding involving respondent's U.S. RUSSKAYA trademark registration was commenced on May 19, 2004.
- 20. FTE has commenced litigation against respondent in various countries, in every case challenging respondent's ownership of one or more of the Vodka Trademarks on the basis of the outcome of the Russian litigation. Respondent specifically cites to litigation in the Netherlands, Austria, Brazil, Australia, and Chile (Tsyplakov Depo. at 25-31; Skurikhin Decl. ¶¶ 31-38), and in the United States (Tsyplakov Depo. at 14-15, 33-34, Exh. 2).
- 21. The litigation in the Netherlands was commenced in March 2003, and involves FTE's challenge to respondent's ownership of its MOSKOVSKAYA mark in the Netherlands. (Skurikhin Decl. ¶¶ 31-33, Exh. J.)
- 22. The litigation in Austria was commenced in July 2004, and involves FTE's challenge to respondent's ownership of its STOLICHNAYA and MOSKOVSKAYA marks in Austria. (Tsyplakov Depo. at 26-27; Skurikhin Decl. ¶ 34-35, Exh. L.)
- 23. The litigation in Brazil was commenced in September 2004, and involves FTE's challenge to respondent's ownership of the STOLICHNAYA mark in Brazil. (Skurikhin Decl. ¶¶ 36-37, Exh. M.)
- 24. The litigation in Australia involves FTE's challenge to respondent's ownership of the STOLICHNAYA and MOSKOVSKAYA marks in Australia. (Tsyplakov Depo. at 29-30; Skurikhin Decl. ¶ 38.) The date of the commencement of the Australian litigation is not apparent from the record.

- 25. As to the asserted litigation in Chile (referenced in Tsyplakov Depo. at 30-31), the record does not reveal its date of commencement nor the mark(s) involved therein.
- 26. In October 2004 (according to respondent's trial brief at 17), FTE commenced litigation against respondent in the United States District Court for the Southern District of New York. This U.S. litigation involves FTE's challenge to respondent's ownership and registrations of respondent's various STOLICHNAYA marks in the United States. (Tsyplakov Depo. at 14-15, 33-34, Exh. 2).
- 27. In addition to the countries discussed above, Mr. Tsyplakov also named numerous additional countries in which FTE assertedly has initiated litigation challenging respondent's ownership of the Vodka Trademarks. (Tsyplakov Depo. at 17-19.) He also testified that respondent in turn has initiated litigation in numerous countries challenging FTE's right to register the Vodka Trademarks. (Tsyplakov Depo. at 43-44.) Respondent contends that, in all, and including the various WIPO proceedings involving respondent's international registrations, FTE and respondent are involved in litigation in at least twenty countries regarding the Vodka Trademarks. (*Id.*) The record does not reveal when any of these proceedings in other countries were commenced.
- \*14 28. In all, respondent's legal costs resulting from the worldwide litigation have exceeded \$20 million (Tsyplakov Depo. at 46.)
- 29. During the relevant 2001-2004 period of respondent's nonuse of the RUSSKAYA mark in the United States, respondent was marketing RUSSKAYA vodka in numerous other countries. (Oliynik Depo. at 13; Gusev Depo. at 13-14.)
- 30. Respondent at all relevant times has been marketing STOLICHNAYA vodka in the United States. (Oliynik Depo. at 13.)
- 31. In October 2005, respondent made a shipment of thirty cases of RUSSKAYA vodka to its United States distributor, Allied, pursuant to the parties' 2000 distribution agreement (see above at numbered paragraph 9). (Gusev Depo. at 11-13, Exhibits 1-4.)

#### "Litigation Uncertainty" Excuse for Nonuse

Respondent contends that its nonuse of the RUSSKAYA mark in the United States during the May 2001 to May 2004 nonuse period at issue here was excusable. According to respondent, it was the result of a prudent, reasonable business decision to postpone what would be a significant and expensive effort to develop the RUSSKAYA brand in the United States until respondent's uncertainty as to its ownership rights in the mark had abated. Respondent contends that this legitimate uncertainty arose from the worldwide litigation between respondent and FTE, in which FTE has challenged respondent's ownership rights in the Vodka Trademarks and is attempting to usurp those rights for itself.

In support of this "litigation uncertainty" contention, respondent relies on the March 2007 testimony of Mr. Tsyplakov, respondent's general counsel with respect to respondent's intellectual property, who testified that promotion of the RUSSKAYA brand in the United States "requires significant investments" on respondent's part, and that respondent therefore "has decided to wait until the dispute concerning the ownership in respect of STOLICHNAYA trademarks in the United States is resolved and then make such investment in the promotion of RUSSKAYA brands in the United States market." (Tsyplakov Depo. at 35.) He also testified:

[s]o there is a kind of instability and uncertainty in respect of that issue [respondent's ownership rights in the RUSSKAYA mark], and that is why SPI Group has made the business decision to concentrate its business efforts on the promotion of the key brands of the group, namely STOLICHNAYA, MOSKOVSKAYA, while not to invest money in the development of the RUSSKAYA brand, RUSSKAYA vodka trademark due to such uncertainty.

#### (Tsyplakov Depo. at 25.) He also testified:

Taking into account such uncertainty regarding the outcome of the proceedings SPI Group has decided to concentrate mainly on promotion of our key brands, STOLICHNAYA and MOSKOVSKAYA, while not to make investments, huge investments into promotion of RUSSKAYA brand which is less known than STOLICHNAYA and MOSKOVSKAYA because we — although we are confident in our legal position in those disputes we, nevertheless, could not predict the court decisions on those proceedings. ... So in order to — not to expose the Group, the company to such risks it was again decided to concentrate on our star brands, primary brands like STOLICHNAYA and MOSKOVSKAYA.

#### \*15 (Tsyplakov Depo. at 32-33.) Likewise:

Those proceedings, like any other proceedings, are quite expensive with uncertain outcome. Although we are confident in our legal position we are not sure what decision would be rendered by the competent authorities who resolve those disputes. Taking this into account it was our decision to concentrate on the promotion of our key brands, STOLICHNAYA and MOSKOVSKAYA, and not to make investments in promotion of RUSSKAYA brand.

(Id. at 42-43.)

Respondent also relies on the March 2007 testimony of Mr. Oliynik, respondent's "new products manager." When Mr. Oliynik was asked to state the reasons why respondent was not distributing RUSSKAYA vodka in the United States, he testified: There were a number of reasons between 1997 and 2003. One of those reasons was that the U.S. distributor was not very much willing to sell RUSSKAYA because I believe it thought, or he thought that it could take a market share from the core brand, STOLICHNAYA, and because they were very carefully choosing the right period of time for launching or relaunching products.

But the main reason was that SPI group got involved in a dispute regarding the trademark ownership rights which cost Group a lot of money and human resources, and as you may understand it is difficult to know in advance the outcome of any legal dispute. However, we believe that all such disputes will be resolved in our favour and that is basically what is happening now. But at the point in time it was decided that the moment was not right to invest a lot of money in the product which had to be relaunched in the American market because relaunching very often costs much more money than launching of a new product. So because of that uncertainty and I would say primarily because of that uncertainty the decision was to postpone this project and not to invest, not to reallocate a lot of resources from the base brand to the RUSSKAYA brand.

#### (Oliynik Depo. at 13-15.)

We are not persuaded by respondent's "litigation uncertainty" excuse for its nonuse of the mark. We find that respondent (upon whom rests the burden of producing evidence sufficient to rebut petitioner's prima facie case of abandonment) has failed to establish, as a factual matter, that its nonuse of the RUSSKAYA mark in the United States between May 2001 and May 2004 was due to its claimed uncertainty as to its ownership of the mark in the United States arising from the worldwide litigation between respondent and FTE.

To begin with, we note that respondent has failed to present any contemporaneous documentary evidence to corroborate its witnesses' testimony that its nonuse of the mark was due to its uncertainty as to its U.S. ownership rights in the mark arising from the worldwide litigation. Respondent's only evidence for this assertion is the very vague and conclusory statements of Mr. Tsyplakov and Mr. Oliynik (quoted above). They testified variously that, due to its alleged litigation uncertainty, respondent "has decided to wait" to use the RUSSKAYA mark; that respondent "has made the business decision" to postpone use of the RUSSKAYA mark; and that "it was again decided," "it was our decision," "it was decided," and "the decision was" to postpone

use of the RUSSKAYA mark. These vague statements do not identify with particularity or even generally who it was that made the decision, how the decision was made or, more importantly in this case (see *infra*), when the decision was made.

\*16 Before we reach the "when" question regarding respondent's decision to postpone use until after its litigation uncertainty had abated, we will address petitioner's argument that the worldwide litigation outlined above is irrelevant and does not support respondent's "litigation uncertainty" excuse because most if not all of that litigation involves respondent's STOLICHNAYA and MOSKOVSKAYA marks, and not the RUSSKAYA mark at issue here. Petitioner argues that any litigation, U.S. or foreign, which involves marks other than RUSSKAYA does not excuse respondent's nonuse of the RUSSKAYA mark in the United States.

In response to this argument, respondent argues that even where the other litigation does not concern respondent's ownership rights in the RUSSKAYA mark specifically, but rather concerns respondent's ownership rights in its other Vodka Trademarks such as STOLICHNAYA and MOSKOVSKAYA, the other litigation still creates uncertainty as to respondent's rights in the RUSSKAYA mark. According to respondent, FTE's challenge to respondent's ownership of the Vodka Trademarks in all of the foreign litigation, and in the Southern District of New York, is based on FTE's contention that each country's agencies and courts should recognize and give effect to the October 16, 2001 final decision of the Russian litigation, which effectively held that the 1992 privatization of the state enterprise VVO into the private company VAO (respondent's predecessor in interest) was invalid and that VAO therefore was not the legal successor to VVO and its property, including the Vodka Trademarks; that VAO therefore could not lawfully transfer the Vodka Trademarks; and that respondent therefore is not the owner of the Vodka Trademarks due to this defect in its chain of title to the marks. (See above at numbered paragraph 13.) Respondent contends that if this underlying legal theory upon which FTE's challenge to respondent's ownership of the other Vodka Trademarks were to succeed in any of the other foreign and U.S. litigation, the same theory could be asserted and relied upon by FTE in any subsequent litigation (including litigation in the United States) attacking respondent's ownership of the RUSSKAYA mark as well.

In support of this argument, respondent relies on the testimony of its general counsel Mr. Tsyplakov. At pages 21-25 and 31-33 of his deposition, he testified:

That is why the issue of validity of transformation of the initial owner of the trademarks STOLICHNAYA, MOSKOVSKAYA, RUSSKAYA and others into the private entity which was the subject matter of Russian proceedings is of central importance to all other proceedings and to the — is of central importance to all other proceedings.

. . .

This legal theory is — can equally be used for the purposes of challenging the ownership of all trademarks which were initially registered in the name of the Soviet State Enterprise, including RUSSKAYA. ... If we obtain any adverse judgments in any jurisdiction this could theoretically lead to other adverse judgments in other jurisdictions which could impair, make serious impact on our trademark rights. <sup>9</sup>

\*17 Likewise with respect to the U.S. litigation in the Southern District of New York involving the STOLICHNAYA mark, Mr. Tsyplakov testified:

The legal challenge, the legal grounds for the challenge of ownership of STOLICHNAYA trademarks in the United States could be the same for the eventual challenge of SPI Group's ownership in RUSSKAYA trademark in the United States. If SPI Group is not successful in the United States proceedings initiated by FKP Sojuzplodoimport [another name for FTE] and the U.S. court would render the judgment establishing the fact that due to invalidity of transformation of the Soviet State Enterprise, VVO Sojuzplodoimport, into the private company VAO Sojuzplodoimport, SPI Group cannot be considered as valid owner of STOLICHNAYA trademarks in the United States. The same judgment could be rendered in respect of RUSSKAYA trademark.

(Tsyplakov Depo. at 33-35).

Respondent has cited no authority for the proposition that a registrant's nonuse of the registered mark at issue can be excused due to the existence of litigation involving a different mark or marks. Indeed, the Federal Circuit seems to have suggested otherwise in *Imperial Tobacco, supra*:

The record shows that Imperial's ongoing and major litigation concern was over its desire to use [the registered mark] **JPS** *in combination with* JOHN PLAYER SPECIAL as used abroad, and to use the mark on packaging having a distinctive black and gold trade dress similar to that used by Philip Morris on its BENSON AND HEDGES cigarettes. Its unsuccessful efforts to license **JPS** for cigarettes were also directed to the use of **JPS** in this manner. The board inferred that litigation fears and licensing efforts were attributable to Imperial's desire to sell **JPS** cigarettes in a particular display, not because it could not use **JPS** as registered for cigarettes. We see no other reasonable inference.

14 USPQ2d at 1396. (Italics in original; footnote omitted.)

However, for purposes of this decision, we will assume arguendo that respondent's argument is tenable, and that the litigation involving the other Vodka Trademarks is not irrelevant solely because it did not involve the registered RUSSKAYA mark.

This assumption avails respondent little, however, because we find that the other foreign and U.S. litigation (even including litigation as to other Vodka Trademarks) upon which respondent relies for its "uncertainty" excuse is largely immaterial for another reason, i.e., it took place too late to affect respondent's decision not to use the RUSSKAYA mark in the United States during the May 2001 to May 2004 nonuse period at issue in this case.

On the record established by respondent, we have no reasonable basis for concluding otherwise than that, with three possible exceptions (i.e., the original Russian litigation, the WIPO action, and the Netherlands litigation), all of the foreign and U.S. litigation proceedings or matters upon which respondent specifically relies for this "uncertainty" excuse were not even commenced until after the close of the 2001-2004 nonuse period, i.e., not until after respondent already had abandoned the RUSSKAYA mark in the United States. That post-May 2004 litigation, outlined above and re-summarized below, as a factual matter cannot have caused any uncertainty on respondent's part as to its ownership of the RUSSKAYA mark in the United States during the May 2001 to May 2004 nonuse period. Nor can it serve as a legal basis for excusing respondent's nonuse of the RUSSKAYA mark in the United States during that nonuse period.

\*18 Specifically, the litigation in Austria was not commenced until July 2004. (See above at numbered paragraph 22.) The litigation in Brazil was not commenced until September 2004. (See above at numbered paragraph 23.) The United States litigation in the Southern District of New York was not commenced until October 2004. (See above at numbered paragraph 26.) As to the remaining litigation proceedings or matters in various other countries upon which respondent relies, respondent's evidence (consisting chiefly of the vague testimony of respondent's general counsel, Mr. Tsyplakov), fails to establish when any of those proceedings or matters were commenced, and it certainly does not establish that any of those proceedings or matters were commenced prior to May 2004. These other matters include: respondent's appeal of the Presidium's decision in the initial Russian litigation to the European Court of Human Rights (see above at numbered paragraph 14); respondent's challenge to WIPO's recordation of FTE's change of ownership of the seven international registrations, and respondent's initiation of remedial proceedings in the WIPO member countries (see above at numbered paragraph 18); the litigation in Australia (see above at numbered paragraph 24); the litigation in Chile (see above at numbered paragraph 25); and the litigation in any other of the countries named by Mr. Tsyplakov (see above at numbered paragraph 27).

Moreover, we find that even the three foreign proceedings or matters which it appears were already pending during the 2001-2004 nonuse period did not provide a reasonable legal basis, either independently or together, for any uncertainty on respondent's part as to its ownership of the RUSSKAYA mark in the United States.

First, the initial Russian litigation (upon which respondent puts primary reliance) which invalidated the 1992 transformation of the state-owned entity VVO into the private entity VAO, respondent's predecessor in interest, was commenced in November 2000 and was concluded in October 2001 with the Presidium decision. (See above at numbered paragraphs 11 and 13.) We note that this litigation regarding the VVO/VAO transformation did not directly involve ownership of respondent's Vodka Trademarks (including RUSSKAYA), but we will assume that the Presidium decision laid the groundwork for the Russian Patent Office's eventual transfer (at a date uncertain on this record) of respondent's Vodka Trademarks to the Russian Federation.

However, even if we deem the October 2001 Presidium decision to have deprived respondent of its title to the Vodka Trademarks (including RUSSKAYA) in Russia, that decision was not a reasonable basis for any uncertainty on respondent's part as to its title to its RUSSKAYA mark in the United States.

The status of [a party's] trademark rights in Russia has no bearing on the question of who owns the trademark rights in the United States. *See, e.g., Otokoyama Co. v. Wine of Japan Import, Inc.*, 175 F.3d 266, 272-73 (2d Cir. 1999)("rights (or lack of rights) to a trademark in the United States cannot be established by the fact that [a party] was found by a foreign court to have (or not to have) rights over the same mark in a foreign country").

\*19 Federal Treasury Enterprise Sojuzplodoimport, et al., v. Spirits International N.V., et al., 425 F.Supp.2d 458, 470-71 (S.D.N.Y. 2006).

The territoriality of trademark rights is hornbook law, and we reasonably assume that respondent, which by its own account is an international company which owns hundreds of trademarks and trademark registrations around the world including numerous U.S. registrations, would have been aware of this basic principle of trademark law. It thus would have had no reason to be uncertain of its U.S. rights in the RUSSKAYA mark, even after the Russian high court had ruled adversely to respondent as to respondent's rights in the Vodka Trademarks in Russia. Respondent's alleged reliance on this Russian court decision as the basis for any "litigation uncertainty" and as an excuse for its nonuse of the mark in the United States is not factually credible, and it was legally unreasonable in any event. <sup>10</sup>

The second of the three foreign matters which the evidence shows to have occurred prior to May 2004 involved WIPO. In April 2003, the Russian Patent Office applied to WIPO for recordation of a change in ownership of seven international trademark registrations (including of the RUSSKAYA mark), naming FTE as the owner in place of respondent. In June 2003, WIPO performed the ministerial acts of recording the change in ownership of the international registrations and notifying the relevant member countries thereof. (See above at numbered paragraph 17.) However, we find that the Russian Patent Office's application for, and WIPO's performance of, these purely ministerial acts in 2003 are not a reasonable basis for respondent's claimed uncertainty as to its ownership rights in the RUSSKAYA mark in the United States during the 2001-2004 nonuse period. As respondent surely must be aware, the state of the WIPO register, per se, has no effect on substantive trademark rights in the member countries.

The third of the three matters which the evidence shows to have been pending during the 2001-2004 nonuse period is the 2003 litigation in the Netherlands between respondent and FTE. (See above at numbered paragraph 21.) Respondent itself initiated that litigation by obtaining, based on its ownership rights in the MOSKOVSKAYA mark, a March 19, 2003 court order attaching a shipment by FTE (or its proxy) of MOSKOVSKAYA vodka into the Netherlands. FTE filed a challenge to the court's attachment order on April 17, 2003, claiming that FTE, not respondent, was the owner of the MOSKOVSKAYA mark. FTE based its claim of ownership on the final decision of the Russian Federation courts and agencies which had invalidated respondent's ownership of the mark and awarded ownership to FTE. (See paragraph 13, above.)

On May 13, 2003, the Rotterdam district court found for respondent, upholding respondent's attachment of FTE's shipment of MOSKOVSKAYA vodka into the Netherlands. The court specifically found that respondent was the owner of the MOSKOVSKAYA mark, and specifically and roundly rejected FTE's arguments to the contrary which were based on the Russian litigation. (Skurikihn Decl. Exh. J.) Although the Rotterdam court's order was interlocutory in nature, it reasonably should have allayed or at least lessened respondent's claimed uncertainty as to its ownership of the RUSSKAYA mark in the United States. We certainly cannot assume that the court's favorable order would have increased or reinforced respondent's claimed uncertainty, if it affected respondent's thinking at all.

\*20 For all of these reasons, we find that the testimony of Mr. Tsyplakov, respondent's general counsel for intellectual property matters, is not credible or at the least is wholly unpersuasive. We find, as a factual matter, that the foreign and U.S. litigation upon which respondent relies, most of which commenced after respondent already had abandoned the mark due to its nonuse between May 2001 and May 2004, cannot have been a basis for any claimed uncertainty on respondent's part as to its U.S. ownership rights in the RUSSKAYA mark during the nonuse period. It therefore cannot serve as a reasonable basis for excusing respondent's nonuse of the RUSSKAYA mark in the United States during that period. Even the three litigation matters that were pending or concluded during the three-year nonuse period could not and should not have caused any reasonable uncertainty on respondent's part as to its ownership rights in the registered RUSSKAYA mark in the United States, and cannot be considered to be a valid excuse for nonuse of the mark.

#### "Drain on Resources" as Excuse for Nonuse

Respondent argues, at pages 18-19 of its trial brief, that another reason for its nonuse of the RUSSKAYA mark in the United States (in addition to its alleged uncertainty as to its title to the RUSSKAYA mark in the United States arising from the worldwide litigation) was the burden on respondent's financial and manpower resources arising from the worldwide litigation. Mr. Tsyplakov testified that respondent has spent over \$20 million in connection with the litigation as of May 2007. (Tsyplakov Depo. at 46.) Citing to this testimony, and to Mr. Tsyplakov's testimony (at page 42 of his deposition) that "[t]hose proceedings, like any other proceedings, are quite expensive...," and also to Mr. Oliynik's testimony (at page 14 of his deposition) that the litigation has "cost Group a lot of money and human resources...," respondent argues that the worldwide litigation "has obviously taken a huge toll on SPI's time, finances and human resources. ... SPI's ongoing legal battles have also been enormously time-consuming, diverting human resources that could otherwise have focused on rebuilding the market for RUSSKAYA vodka in the U.S."

We are not persuaded by this argument. Mr. Tsyplakov's testimony that, as of his May 2007 deposition, respondent had spent over \$20 million in connection with the Vodka Trademark litigation does not establish how much of that money was spent during the nonuse period in question, i.e., May 2001 to May 2004. As noted above, that period predates the commencement of most if not all of the worldwide litigation over the Vodka Trademarks. The same goes for respondent's asserted expenditures of time and human resources in connection with the Vodka Trademark litigation. Nor are we persuaded by Mr. Tsyplakov's assertion that the "human resources" devoted to the worldwide litigation "could otherwise have focused on rebuilding the market for RUSSKAYA vodka in the U.S.." That testimony is vague at best. Saying that the resources "could" have been used to build the U.S. market for RUSSKAYA vodka is not the same as saying that those resources, in fact, would have been devoted to developing the RUSSKAYA brand in the United States.

\*21 On this last point, we note that respondent's witnesses repeatedly stated that it would be very expensive and require a significant investment to "relaunch" the RUSSKAYA brand in the United States. For example, Mr. Tsyplakov, respondent's general counsel, testified that promotion of the RUSSKAYA brand in the United States "requires significant investments" on respondent's part. (Tsyplakov Depo. at 35.) He also testified that U.S. promotion of the RUSSKAYA mark would require "huge investments." (Id. at 25.) Mr. Oliynik testified (at page 15 of his deposition) that respondent would have had "to invest a lot of money in the product which had to be relaunched in the American market because relaunching very often cost much more money than launching of a new product." Mr. Gusev stated that respondent's plan is to "launch" RUSSKAYA "with big marketing support and push." (Gusev Depo. at 14.) Mr. Oliynik, at page 17 of his deposition, stated that:

... RUSSKAYA is a very well-established old brand which if relaunched in the American market properly can help us gain an additional market share of the vodka market and our co-brand, STOLICHNAYA, can really benefit of that addition to the portfolio of vodka brands of SPI Group in America. Personally I believe that within a short period of time it can be one of the most profitable products in our portfolio, but of course it will require significant marketing investment.

These contentions, to the extent that they are intended to suggest that respondent's nonuse of the mark during the three-year nonuse period can be excused because a resumption of use of the RUSSKAYA mark in the United States would require "huge investments" and "big marketing support and push," are not persuasive. They are belied by the fact that in October 2005, after petitioner filed its petition to cancel respondent's registration (and after the three-year nonuse period), respondent made a shipment of thirty cases of RUSSKAYA vodka to its U.S. distributor, Allied Domecq, for sale in the United States. (Gusev Depo. at 11-13, Exhibits 1-4.) It does not appear that this shipment involved "huge investments," or required a costly "relaunch" or a "big marketing support and push." Respondent simply made the shipment, as it could have done at any time during the three-year nonuse period. As the court stated in *Imperial Tobacco*, *supra*, 14 USPQ2d at 1395, "The board noted that when Imperial finally made sales of JPS cigarettes in 1987, there was no implementation of a complex marketing strategy to introduce them. As the board pointed out, Imperial simply began selling cigarettes in 1987, as it could have all along." Likewise in *Rivard v. Linville*, *supra*, 45 USPQ2d at 1377, the court noted:

\*22 The board found, moreover, that "within months of receiving notice of [Linville's] cancellation proceeding, [Rivard] negotiated license agreements with three United States entities to use the ULTRACUTS mark to render such services in the United States, and settled on a city in which to open a hair styling salon ... which appears to be lacking in the features [that, according to Rivard's testimony, he had] previously deemed essential" to a salon's location. ... This finding, which is supported by the record, not only detracts from Rivard's credibility, but also more than adequately supports the conclusion that Rivard's approximately five years of nonuse is not excusable.

For these reasons, we find that respondent has failed to establish as a factual matter that its nonuse of the RUSSKAYA mark in the United States from 2001 to 2004, the nonuse period at issue here, was due to any diversion of resources during that period to the worldwide litigation which otherwise would have gone to a resumption of use of the RUSSKAYA mark in the United States. Its alleged "drain on resources" excuse for nonuse of the mark is not persuasive.

#### **Conclusion - No Excusable Nonuse**

For all of the reasons discussed above, we find that respondent has failed to come forward with evidence sufficient to establish that its undisputed failure to use the RUSSKAYA mark in the United States between May 2001 and May 2004 was excusable nonuse. The worldwide litigation upon which respondent relies, almost all of which had not even commenced until after respondent had already abandoned the mark in the United States, does not excuse respondent's nonuse of the mark during the nonuse period. Nor is respondent's nonuse excused by the alleged diversion of resources resulting from that litigation.

Indeed, on this record it appears that the more likely reason for respondent's nonuse of the RUSSKAYA mark in the United States for at least the three years prior to May 2004 was not due to its litigation with FTE, which for the most part was commenced after May 2004, but rather was the result of a purely business-driven decision not to market RUSSKAYA vodka in the United States during that period. We find more credible than Mr. Tsyplakov's rote recitals of respondent's "litigation uncertainty" excuse is Mr. Olivnik's testimony that one reason for respondent's nonuse

was that the U.S. distributor was not very much willing to sell RUSSKAYA because I believe it thought, or he thought that it could take a market share from the core brand, STOLICHNAYA, and because they were very carefully choosing the right period of time for launching or relaunching products.

(Oliynik Depo. at 13.)

We find on this record that respondent's assertion that its nonuse of the mark was due to the uncertainty and expense occasioned by other litigation between respondent and FTE is nothing more than post hoc rationalization.

#### No Proof of Intent to Resume Use

\*23 In addition to our finding that respondent has not rebutted the prima facie case of abandonment by proving that its nonuse of the RUSSKAYA mark in the United States for at least the three-year period prior to May 2004 was excusable, we also find that respondent has failed to rebut the prima facie case of abandonment with proof that, during the three-year nonuse period, it had maintained a bona fide intent to resume use of the mark.

The conclusory statements of respondent's witnesses that respondent has always maintained an intent to resume use the RUSSKAYA mark in the United States (Oliynik Depo. at 13; Gusev Depo. at 14; Tsyplakov Depo. at 46-47) do not suffice to establish that respondent, during the nonuse period, had maintained an intent to resume use. As noted by the Federal Circuit Court of Appeals, "A registrant's proclamations of his intent to resume use or commence use in United States commerce during the period of nonuse are awarded little, if any, weight." *Rivard v. Linville, supra*, 45 USPQ2d at 1376. "In every contested abandonment case, the respondent denies an intention to abandon its mark; otherwise there would be no contest." *Imperial Tobacco, supra*, 14 USPQ2d at 1394. Thus, to establish that it had the requisite intent to resume use of the mark during the period of nonuse, respondent must come forward with evidence beyond mere conclusory statements or denials that it lacked such intent to resume use. *Id.* 

We find the testimony of respondent's witnesses in their 2007 depositions, stating that respondent has been involved in "negotiations" with its U.S. distributor regarding the importation of RUSSKAYA vodka into the United States, to be equally vague and unpersuasive. This is especially so as to the extent to which the "negotiations" occurred during the 2001-2004 nonuse period at issue here.

For example: Mr. Oliynik, at pages 12-13 of his May 2007 deposition, testified:

- Q. Has the SPI Group had any negotiations with its US importer/distributor concerning the distribution of RUSSKAYA vodka in the US?
- A. Yes.
- Q. Did you yourself participate in such negotiations?
- A. Yes, I was personally participating in these negotiations many times between 1997 and September 2003.
- Q. Do you know the current status of those negotiations?
- A. No, I do not.

Mr. Gusev, at pages 8-10 of his May 2007 deposition, testified:

- Q. More specifically, what involvement, if any, have you had with respect to the SPI Group's distribution and sale of RUSSKAYA vodka in the US?
- A. We had many negotiations throughout the years with our partners in the United States regarding this brand, and my personal involvement was such that I was participating in these negotiations, working out proposals for partners and that was my involvement.

\*24 ...

Q. Has the SPI Group had any negotiations with either its current US importer/distributor or any of its predecessors concerning the distribution of RUSSKAYA vodka in the US?

A. Yes. .... We have worked out a business proposal for the launch of our brand RUSSKAYA in the United States, and we have approached our partners. Among other approaches the most recent one was in 2005 when we had discovered and we believe we have seen a big market opportunity for this brand in the mainstream imported vodka segment of the United States market. We have outlined a business proposal and we were negotiating about the launch plan and details of the promotion of the brand.

Q. What is the current status of those negotiations?

A. The current status of these negotiations is that we are currently finalising these negotiations with our partners and we actually expect to receive their first order for bigger quantity of RUSSKAYA, but in the very short period of time from now.

Q. Has the SPI Group taken any steps to sell RUSSKAYA vodka in the US to your knowledge?

A. Yes. ... SPI Group was negotiating with its partners in the United States and that is it. We are negotiating. Now we are very near to the finalisation of this process.

We find that this testimony, upon which respondent bases its claim of a bona fide intent to resume use of the mark in the United States, is too vague and conclusory to be entitled to significant probative weight.

Finally, we note that respondent has not come forward with a single piece of contemporaneous documentary or other tangible evidence to corroborate the merely conclusory statements of its witnesses that respondent had been involved in business negotiations with its U.S. distributor, or that it had always maintained an intent to resume use of the RUSSKAYA mark in the United States. We find that the absence of any such evidence weighs against a finding that, during the nonuse period, respondent had maintained the requisite bona fide intent to resume use of the mark in United States commerce. <sup>11</sup>

In summary, we find that respondent's proffered evidence simply does not suffice to establish that, during the relevant 2001-2004 nonuse period at issue in this case, respondent had maintained a bona fide intent to use the RUSSKAYA mark in the United States. Because respondent lacked the requisite intent to resume use, we find that respondent has failed to rebut petitioner's prima facie case of abandonment on that basis.

#### **Abandonment - Conclusion**

For all of the reasons discussed above, we find that respondent's undisputed failure to use the RUSSKAYA mark in the United States for at least the consecutive three-year period between May 2001 and May 2004 constitutes prima facie abandonment. We find that respondent has failed to rebut the prima facie case of abandonment because it has failed to establish that its nonuse was excusable, or that it had maintained during the nonuse period a bona fide intent to resume use of the mark in the United States.

\*25 Therefore, we conclude that respondent abandoned the RUSSKAYA mark at least as early as May 2004, and that its registration of the mark must be cancelled and removed from the register.

#### **Conclusion and Decision**

Having carefully reviewed all of the evidence of record (including any evidence not specifically discussed in this opinion), and having carefully and fully considered all of respondent's arguments (including any arguments not specifically discussed in this opinion), we conclude that petitioner has established its standing to petition to cancel respondent's registration on the ground of abandonment. We also find that respondent abandoned the registered RUSSKAYA mark in the United States, and that such abandonment warrants cancellation of the registration.

Decision: The petition to cancel is granted.

#### Footnotes

- As discussed below, we grant petitioner's February 15, 2008 motion to substitute A.V. Brands, Inc. for A.V. Imports, Inc. as petitioner. See Trademark Trial and Appeal Board Manual of Procedure (2d ed. 2003, rev. March 2004) (hereinafter TBMP) at §512.01.
- At the commencement of this proceeding, the registration at issue was owned by Spirits International, N.V., a Netherlands public limited liability company. On March 29, 2007, during the pendency of this proceeding, Spirits International, N.V. was converted into a Netherlands private limited liability company, Spirits International, B.V. The conversion documents were recorded with the USPTO Assignment Branch on August 13, 2007, at Reel 3599, Frame 0672. In view of the conversion and the recorded assignment of the registration at issue in this case, we hereby substitute Spirits International, B.V. for Spirits International, N.V., as respondent. See TBMP §512.01.
- Although not specifically pleaded by petitioner, petitioner presented evidence at trial showing that its '600 application has been refused registration by the Office under Trademark Act Section 2(d), 15 U.S.C. §1052(d), based on respondent's previous RUSSKAYA registration which is the subject of this cancellation proceeding. (Petitioner's first notice of reliance, Exh. P.) Review of the Office's electronic record of the '600 application reveals that the application has been suspended pending the outcome of this cancellation proceeding.
- In pertinent part, Trademark Rule 3.71(d) provides that the assignee of a trademark application is entitled to "file papers against a third party in reliance on the assignee's trademark application or registration, to the exclusion of the original applicant or previous assignee."
- As discussed above, we have stricken as untimely-filed the Asset Purchase Agreement, which was the exhibit to petitioner's Aitken declaration submitted for the first time with petitioner's reply brief on the case.
- In the present case, the parties dispute whether a registrant seeking to rebut a prima facie showing of abandonment due to three consecutive years of nonuse must prove both excusable nonuse and an intent to resume use (as argued by petitioner), or whether the registrant may rebut the presumption by proving either excusable nonuse or an intent to resume use (as argued by respondent). However, we need not resolve that issue in this case, and shall assume arguendo in respondent's favor that respondent's argument (that it can rebut the presumption of abandonment either by proving excusable nonuse or by proving an intent to resume use) is the correct standard. The point is moot because we find, as discussed *infra*, that respondent in any event has failed to prove either excusable nonuse or an intent to resume use, and thus has failed to rebut petitioner's prima facie case of abandonment regardless of which standard we apply.
- The Office's records identify the registrant as V/O Sojuzplodoimport. However, the parties do not dispute that this is the same entity as VVO Sojuzplodoimport. As do the parties, we shall refer to the company as VVO.
- At the time of the assignment, the record owner of the U.S. registration remained VVO, even though the privatization and transformation of VVO into VAO had already occurred in Russia. Because neither party has addressed this issue, we shall assume in this case that VAO was the actual and proper assignor of the registration to PepsiCo.
- Regarding this last sentence, respondent never identifies what "theory" it would be that would expose respondent to adverse judgments in other countries based on an adverse judgment in one country. Aside from its vagueness, this statement obviously is inconsistent with the basic territoriality principle of trademark law. See discussion, *infra*.
- We note as well that respondent's alleged uncertainty as to its ownership of its registered RUSSKAYA mark in the United States was not reasonable for another reason. Respondent's RUSSKAYA registration, which so long as it exists is prima facie evidence of respondent's ownership of the mark in the United States, is over five years old. Therefore, respondent's ownership of and chain of title to the registered mark, vel non, is not available as a ground for cancellation of the registration. See Trademark Act Section 14(3), 15 U.S.C. §1064(3). Again, it is unlikely that respondent, the owner of a portfolio of numerous U.S. registrations, would be unaware of this fact.

11 *Cf. Commodore Electronics Ltd. v. CBM Kabuchiki Kaisha*, 26 USPQ2d 1503, 1507 (TTAB 1993)(in the similar context of determining whether an intent-to-use applicant had the requisite bona fide intent to use the mark in commerce, "absent other facts which adequately explain or outweigh the failure of an applicant to have any documents supportive of or bearing upon its claimed intent to use its mark in commerce, the absence of documentary evidence on the part of an applicant regarding such intent is sufficient to prove that the applicant lacks a bona fide intention to use the mark in commerce as required by Section 1(b)." *See also L.C. Licensing Inc. v. Berman*, 86 USPQ2d 1883, 1891-92 (TTAB 2008).

2009 WL 1068777 (Trademark Tr. & App. Bd.)

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2013 WL 4397065 (Trademark Tr. & App. Bd.)

#### THIS OPINION IS NOT A PRECEDENT OF THE TTAB

Trademark Trial and Appeal Board

Patent and Trademark Office (P.T.O.)

ADAMS & BROOKS, INC.

MORRIS NATIONAL, INC.

Cancellation No. 92052158 July 23, 2013 Hearing: April 24, 2013

\*1 Bassam N. Ibrahim and Bryce Maynard of Buchanan Ingersoll & Rooney PC for Adams & Brooks, Inc. Elliot B. Gipson of Fayer Gipson LLP for Morris National, Inc.

Before Grendel, Zervas, and Shaw Administrative Trademark Judges Opinion by Shaw Administrative Trademark Judge:

Petitioner, Adams & Brooks, Inc. filed a petition to cancel a registration owned by Morris National, Inc. (respondent) for the standard character mark NUTFFLES for "chocolate and candy" in International Class 30. <sup>1</sup>

Petitioner alleges that respondent's mark when applied to respondent's goods so resembles petitioner's previously used and registered marks, P-NUTTLES<sup>2</sup> in typed form and in the form shown below for "nut candies" as to be likely to cause confusion.<sup>3</sup>



Respondent filed an answer denying all of the salient allegations in the petition for cancellation and asserting the affirmative defense of laches. Respondent also moved to amend its identification of goods to more narrowly define its goods as "chocolate, namely premium Belgian chocolate truffles." Both petitioner and respondent objected to certain deposition testimony and exhibits on a variety of grounds. The case is fully briefed. An oral hearing was held on April 24, 2013.

#### The Record

The record consists of the pleadings and the file of the involved registration. In addition, the parties have introduced the following evidence into the record:

- The testimony deposition of John Brooks, Sr., President of petitioner;
- The testimony deposition of Cindy Brooks, Vice President of Sales and Marketing for petitioner;
- The testimony deposition of Robert Anthony, a graphic designer for respondent;
- The testimony deposition of Gerald Morris, President of respondent;
- Respondent's responses to selected Interrogatories, Requests for Admission, and Document Requests from petitioner;
- A copy of petitioner's U.S. Registration Nos. 799624 and 2794401 obtained from the Office's electronic records ("TESS");
- Petitioner's responses to selected Interrogatories, Requests for Admission, and Document Requests from respondent; and
- \*2 Fourteen third-party registrations.

#### **Evidentiary Objections**

As noted above, petitioner and respondent have raised numerous objections to certain testimony and evidence. As will be seen *infra*, none of the testimony and/or exhibits sought to be excluded is outcome determinative. Given this fact, coupled with the number of objections, we see no compelling reason to discuss the objections in a detailed fashion. Suffice it to say, we have considered all of the testimony and exhibits submitted by the parties. In doing so, we have kept in mind the various objections raised by the parties, and we have accorded whatever probative value the subject testimony and exhibits merit.

#### Laches

Prior to our consideration of petitioner's pleaded claim of priority and likelihood of confusion, we must first address respondent's affirmative defense of laches to determine whether petitioner's claim is barred thereby.

In order to prevail on the affirmative defense of laches, respondent must establish that there was undue or unreasonable delay by petitioner in asserting its rights, and that prejudice to respondent resulted from that delay. *See Bridgestone/Firestone Research Inc. v. Automobile Club de l'Quest de la France*, 245 F.3d 1359, 58 USPQ2d 1460, 1462 (Fed. Cir. 2001).

In the context of this proceeding, laches begins to run from the time action could be taken against the registration of the involved mark, regardless of when use of the mark began. *National Cable Television Ass'n, Inc. v. American Cinema Editors, Inc.*, 937 F.2d 1572, 19 USPQ2d 1424, 1431-32 (Fed. Cir. 1991). *See Teledyne Technologies, Inc. v. Western Skyways, Inc.*, 78 USPQ2d 1203, 1210 (TTAB 2006), *aff'd unpublished opinion*, Appeal Nos. 2006-1366 and 1367 (Fed. Cir. Dec. 6, 2006). Thus, laches begins to run no earlier than the date the involved mark was published for opposition, and no later than the issue date of the registration.

The earliest dates for purposes of determining whether there has been undue delay are the April 21, 2009 publication date and the December 1, 2009 issue date of the subject registration. See National Cable Television Ass'n, 19 USPQ2d at 1432 (laches runs from the time from which action could be taken against the trademark rights inhering upon registration). Petitioner brought this cancellation proceeding on March 3, 2010, approximately eleven months after the publication date and a mere three months after the date of registration. Leaving aside any conflicting testimony as to when petitioner first learned of respondent's mark, such time periods cannot be viewed as unreasonable, inasmuch as the Trademark Act provides that a cancellation action may

be brought on the ground of likelihood of confusion up until the point that a registration is five years old. See Charrette Corp. v. Bowater Communication Papers Inc., 13 USPQ2d 2040, 2043 (TTAB 1989) (14 month delay not sufficient to establish laches); Manpower, Inc. v. Manpower Information Inc., 190 USPQ 18, 23 (TTAB 1976) (3-4 year delay not sufficient to establish laches); and Plymouth Cordage Company v. Solar Nitrogen Chemicals, Inc., 152 USPQ 202, 204 (TTAB 1966) (slightly less than 3 year delay not sufficient to establish laches.). Petitioner's action in filing this case three months after registration does not constitute unreasonable delay, and accordingly, respondent has failed to meet the first element of a laches defense. We therefore do not assess whether respondent has satisfied the prejudice requirement.

\*3 We turn then to petitioner's pleaded ground of priority and likelihood of confusion.

#### **Standing**

Petitioner has shown through the TESS printouts made of record that petitioner is the owner of its pleaded registrations (Nos. 799624 and 2794401) and that the registrations are valid and subsisting. Because petitioner's registrations are of record, petitioner has established its standing. *Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 55 USPQ2d 1842, 1844 (Fed. Cir. 2000); *Lipton Indus., Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185, 189 (CCPA 1982).

#### **Priority**

In a cancellation proceeding, where both parties own registrations, petitioner must prove priority of use. *See Brewski Beer Co. v. Brewski Bros., Inc.*, 47 USPQ2d 1281 (TTAB 1998) and cases cited therein. Because petitioner's registrations are of record, petitioner may rely on the registrations as proof that the mark was in use as of the filing date of the underlying applications. *See J. C. Hall Co. v. Hallmark Cards, Inc.*, 340 F.2d 960, 144 USPQ 435, 437 (CCPA 1965).

Petitioner's registrations issued in 1965 and 2003, respectively. This is long prior to the December 23, 2008 filing date of respondent's underlying application, which is the earliest date on which respondent is entitled to rely given the absence of any evidence of earlier use. Thus, petitioner has established its priority.

#### Likelihood of Confusion

Our determination under Section 2(d) is based on an analysis of all of the probative facts in evidence relevant to the factors bearing on the likelihood of confusion issue. *In re E.I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563 (CCPA 1973). In considering the evidence of record on these factors, we keep in mind that "[t]he fundamental inquiry mandated by § 2(d) goes to the cumulative effect of differences in the essential characteristics of the goods and differences in the marks." *Federated Foods, Inc. v. Fort Howard Paper Co.*, 544 F.2d 1098, 192 USPQ 24 (CCPA 1976). Moreover, petitioner has the burden to establish that there is a likelihood of confusion by a preponderance of the evidence.

## 1. The similarity or dissimilarity and nature of the goods in the registrations, likely-to-continue channels of trade, and classes of consumers.

We turn first to the similarity of the goods. It is well settled that we must consider the goods as they are identified in the registrations. *See Octocom Systems Inc. v. Houston Computers Services, Inc.*, 918 F.2d 937, 16 USPQ2d 1783, 1787 (Fed. Cir. 1990) ("The authority is legion that the question of registrability of [a mark] mark must be decided on the basis of the identification of goods set forth in the application [or registration] regardless of what the record may reveal as to the particular nature of [the] goods, the particular channels of trade or the class of purchasers to which sales of the goods are directed.").

\*4 As an initial matter, respondent has moved to narrow the scope of its identification of goods from "chocolate and candy" to "chocolate, namely premium Belgian chocolate truffles." This amendment is unavailing. Respondent does not argue that a truffle is not a type of candy and readily admits that its chocolate truffles contain nuts. <sup>4</sup> Respondent's Br. at 28. Even if we

were to accept the amendment, respondent's identification of goods would still describe goods encompassed within petitioner's "nut candies." Further, the addition of the term "premium" does nothing to affect the analysis because there is no evidence of record that "premium" chocolates are sold in different channels of trade from "nut candies," and we will not presume that there are differences in the trade channels. In short, respondent's amendment does not reduce the similarity of the goods or affect the channels of trade in which the goods are offered. The motion to amend the identification of goods is denied. Therefore, will address the similarity of the parties' goods based on the goods as they appear in the registrations.

Petitioner's goods are identified in its registrations as "nut candies" and respondent's goods are identified as "chocolate and candy." Respondent's "candy" must be read to include all types of candy including petitioner's more narrowly defined "nut candies." Thus, respondent's and petitioner's goods are, in part, legally identical.

In this case, neither petitioner's nor respondent's goods recite any restrictions as to type or price range; the trade channels in which they are offered; or the consumers to whom they are marketed. Thus, respondent's extensive argument and evidence that the trade channels and conditions of sale are different is misplaced. As noted above, where the goods are identical, we must presume overlapping trade channels and classes of purchasers. *Octocom*, 16 USPQ2d at 1787; see *American Lebanese Syrian Associated Charities Inc. v. Child Health Research Institute*, 101 USPQ2d 1022, 1028 (TTAB 2011); *In re Smith and Mehaffey*, 31 USPQ2d 1531, 1532 (TTAB 1994) ("Because the goods are legally identical, they must be presumed to travel in the same channels of trade, and be sold to the same class of purchasers."). Thus, it is presumed that respondent's and petitioner's goods move in all channels of trade normal for those goods, and that they are available to all classes of purchasers for those goods. *See Paula Payne Products Co. v. Johnson Publishing Co.*, 473 F.2d 901, 177 USPQ 76 (CCPA 1973) ("Trademark cases involving the issue of likelihood of confusion must be decided on the basis of the respective descriptions of goods.").

\*5 In summary, petitioner's "nut candies" and respondent's "candy" must be presumed to include all types and prices; to be marketed through all channels of trade customary therefor; and to be made available to all classes of consumers who may purchase them. This *du Pont* factor favors a finding of likelihood of confusion.

## 2. The similarity or dissimilarity of the marks in their entireties as to appearance, sound, connotation and commercial impression.

We now turn to the *du Pont* factor which focuses on the similarity or dissimilarity of the marks in their entireties as to appearance, sound, connotation and commercial impression. *DuPont*, 177 USPQ at 567. In comparing the marks, we are mindful that where, as here, the goods are identical, the degree of similarity necessary to find likelihood of confusion need not be as great as where there is a recognizable disparity between the goods. *Century 21 Real Estate Corp. v. Century Life of America*, 970 F.2d 874, 23 USPQ2d 1698, 1700 (Fed. Cir. 1992).

Further, the test is not whether the marks can be distinguished when subjected to a side-by-side comparison, but rather whether the marks are sufficiently similar in terms of their overall commercial impression so that confusion as to the source of the goods offered under the respective marks is likely to result. San Fernando Electric Mfg. Co. v. JFD Electronics Components Corp., 565 F.2d 683, 196 USPQ 1, 3 (CCPA 1977); Spoons Restaurants Inc. v. Morrison Inc., 23 USPQ 1735, 1741 (TTAB 1991), aff'd unpublished, No. 92-1086 (Fed. Cir. June 5, 1992).

Petitioner's marks are P-NUTTLES, in typed form, and in the stylized form with a peanut design, as shown above. Respondent's mark is NUTFFLES, in standard character form. Both parties' marks include the descriptive term "NUT" and end with the letters "LES", which suggest a plurality. Significantly, the ""NUTTLES" portion of petitioner's mark and respondent's "NUTFFLES" mark are similar in sound, differing in only the substation of an "F" sound in the middle of respondent's mark for the second "T" in petitioner's mark. The most significant difference between the marks is that petitioner's mark begins with the letter "P", which, when combined with the term, "NUT" suggests peanuts to the prospective consumer. The addition of the peanut design in Registration No. 799624 further reinforces this meaning. Obviously, however, a peanut is a type of nut so the addition of the letter "P" is of limited significance in terms of connotation. All of the marks suggest nuts.

\*6 The commercial impression created by petitioner's mark suggests a product containing a plurality of peanuts. The commercial impression created by respondent's mark suggests a plurality of nut truffles or a truffle containing a plurality of nuts. When we view the marks in their entireties, we find that the marks have a similar appearance, similar elements of sound, and similar connotation and commercial impression in that they suggest the goods contain a plurality of nuts. This *du Pont* factor favors petitioner.

#### 3. Fame of Petitioner's Marks

This *du Pont* factor requires us to consider the fame of petitioner's mark. Fame, if it exists, plays a dominant role in the likelihood of confusion analysis because famous marks enjoy a broad scope of protection or exclusivity of use. A famous mark has extensive public recognition and renown. *Bose Corp. v. QSC Audio Products Inc.*, 293 F.3d 1367, 63 USPQ2d 1303, 1305 (Fed. Cir. 2002); *Recot Inc. v. M.C. Becton*, 214 F.3d 1322, 54 USPQ2d 1894, 1897 (Fed. Cir. 2000); *Kenner Parker Toys, Inc. v. Rose Art Industries, Inc.*, 963 F.2d 350, 22 USPQ2d 1453, 1456 (Fed. Cir. 1992).

Fame may be measured indirectly by the volume of sales and advertising expenditures of the goods and services identified by the marks at issue, "by the length of time those indicia of commercial awareness have been evident," widespread critical assessments and through notice by independent sources of the products identified by the marks, as well as the general reputation of the products and services. *Bose Corp.*, 63 USPQ2d at 1305-1306 and 1309. Although raw numbers of product sales and advertising expenses may have sufficed in the past to prove fame of a mark, raw numbers alone may be misleading. Some context in which to place raw statistics may be necessary (*e.g.*, the substantiality of the sales or advertising figures for comparable types of products or services). *Bose Corp.*, 63 USPQ2d at 1309. Finally, because of the extreme deference that we accord a famous mark in terms of the wide latitude of legal protection it receives, and the dominant role fame plays in the likelihood of confusion analysis, it is the duty of the party asserting that its mark is famous to clearly prove it. *Leading Jewelers Guild Inc. v. LJOW Holdings LLC*, 82 USPQ2d 1901, 1904 (TTAB 2007).

Petitioner contends that its mark is a strong and famous mark and that such fame under the fifth *du Pont* factor must play a great and even dominant role in our likelihood of confusion analysis in this case, entitling petitioner's mark to a broad scope of protection which precludes registration of respondent's mark. Petitioner points to over 46 years of use and significant sales, as well as its promotional and advertising expenditures. Respondent, for its part, contends that the evidence of fame is lacking, petitioner's mark is weak and, when considered in the light of the numerous third-party uses of similar marks on similar goods under the sixth *du Pont* factor (see *infra*), therefore deserves only a limited scope of protection which does not preclude registration of respondent's mark.

\*7 We are constrained to not discuss the sales and advertising efforts in any detail, as the materials have been filed under seal. Suffice it to say, the cumulative evidence and testimony, while showing some degree of consumer recognition, does not show that either of the P-NUTTLES marks have become famous for purposes of likelihood of confusion. This *du Pont* factor is neutral.

#### 4. Strength of the marks

Respondent has submitted twelve third-party registrations for marks containing "NUT" and/or "PEANUT" to show that these terms are "widespread in both the candy and snack industry to suggest an ingredient of the product." <sup>5</sup> They are:

- PEANUT CHEWS for "candy" (Reg. No. 1580311);
- PEANUT BUTTER CUPS and design for "peanut butter cup[s]" (Reg. No. 906874);
- MR. PEANUT for "chocolate covered peanuts" (Reg. No. 2072330);
- P.NUTTY for "ice cream" (Reg. No. 2729075);

- PNUTTY, in stylized form, for "frozen confection on a stick" (Reg. No. 1246529);
- P-NUT BUTTER D-LITE for, inter alia, "candy" (Reg. No. 2353139);
- P-NUT POPS for, *inter alia*, "edible dog treats" (Reg. No. 2495975);
- NUTRAGEOUS for "candy" (Reg. No. 1857332);
- NUTTER-BUTTER for biscuits and crackers" (Reg. No. 916411;
- NANTUCKET NUTZ for, inter alia, "candy" Reg. No. 3069509; and
- NUTIBLES for "processed nuts, Jordan almonds, roasted nuts, sugar coated peanuts,, and prepared pistachios and chic peas" and "licorice mints" (Reg. Nos. 3320691 and 3314897).

Respondent also has made of record two other registrations for marks purporting to share the "LES" suffix common to petitioner's marks, in addition to the NUTIBLES mark, above:

- SKITTLES for "candy" (Reg. No. 1221105); and
- TURTLES for "candy" (Reg. No. 420577).

Respondent argues that the use of these marks, and the NUTIBLES mark in particular, suggest that petitioner's "combination of NUT and LES is not unique and is, at a minimum, meant to convey an association with nut products" and peanuts in particular. <sup>6</sup>

As an initial matter, three of the marks are on used on unrelated goods such as ice cream and dog treats and, therefore, they are of little use in determining the strength of the marks at issue. Similarly, the SKITTLES and TURTLES marks have very different commercial impressions and have only minimal similarities when compared to respondent's mark for purposes of this *du Pont* factor.

\*8 Nevertheless, we recognize that the term "NUT" is descriptive or even generic of the parties' goods. But we do not find that the existence of these few marks compels the conclusion that petitioner's P-NUTTLES marks are so inherently weak as to deserve little or no protection. There is no evidence that the term PNUTTLES, or even NUTTLES, has been used by anyone other than petitioner. We recognize that P-NUTTLES, as a suggestive mark, is not entitled to the broadest scope of protection, however, the mark is at least entitled to protection against the registration of a similar mark, if such mark is used on identical goods. See King Candy Co. v. Eunice King's Kitchen, Inc., 496 F.2d 1400, 182 USPQ 108, 109 (CCPA 1974) (likelihood of confusion is to be avoided as much between weak marks as between strong marks). Thus, while the NUTIBLES mark may have some similarities when compared to petitioner's marks, we find that respondent's NUTTLES mark is even more similar to petitioner's marks.

Accordingly, the limited third-party evidence and the suggestive nature of petitioner's marks fall short in undermining the distinctiveness of petitioner's mark to any significant degree, that is, to show that petitioner's mark is weak. Accordingly, this factor is neutral.

#### Conclusion

After considering all of the evidence of record and argument pertaining to the *du Pont* likelihood of confusion factors, including ones not specifically discussed herein, we find that because the marks are similar, the goods are legally identical, and the channels of trade and consumers are presumed to overlap, there is a likelihood of confusion between respondent's mark and the registered marks when used in connection with the identified goods. Lastly, to the extent that any of the points argued by respondent may raise a doubt about our finding of a likelihood of confusion, we would resolve that doubt, as we must, in favor of petitioner as the prior user. *See Giant Food, Inc. v. Nation's Foodservice, Inc.*, 218 USPQ at 395; and *Century 21 Real Estate Corp. v. Century Life of America*, 970 F.2d 874, 23 USPQ2d 1698, 1701 (Fed. Cir. 1992).

**Decision:** The petition for cancellation is granted. Registration No. 3719863 will be cancelled in due course.

#### Footnotes

- 1 Registration No. 3719863, issued December 1, 2009.
- 2 Registration No. 2794401 issued December 16, 2003; Section 8 and 15 affidavits accepted and received, respectively.
- 3 Registration No. 799624 issued November 30, 1965; Section 8 and 15 affidavits accepted and received, respectively; renewed.
- 4 Merriam-Webster.com defines a truffle as "a candy made of chocolate, butter, sugar, and sometimes liqueur shaped into balls and often coated with cocoa." The Board may take judicial notice of dictionary definitions, *Univ. of Notre Dame du Lac v. J.C. Gourmet Food Imp. Co.*, 213 USPQ 594, 596 (TTAB 1982), *aff'd*, 703 F.2d 1372, 217 USPQ 505 (Fed. Cir. 1983).
- 5 Respondent's Br. at 34.
- 6 *Id.* at 35.

2013 WL 4397065 (Trademark Tr. & App. Bd.)

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#### 2011 WL 3871951 (Trademark Tr. & App. Bd.)

#### THIS OPINION IS NOT A PRECEDENT OF THE T.T.A.B.

Trademark Trial and Appeal Board

Patent and Trademark Office (P.T.O.)

Black Bear Bottling Group v. Black Bear Spring Water LLC

Cancellation No. 92050665 August 18, 2011

\*1 Donald J. Ersler of Donald J. Ersler, SC for Black Bear Bottling Group Ernest D. Buff of Ernest D. Buff & Associates, LLC for Black Bear Spring Water LLC

Before Quinn, Cataldo and Bergsman Administrative Trademark Judges Opinion by Cataldo Administrative Trademark Judge:

Petitioner, Black Bear Bottling Group, has petitioned to cancel Registration No. 2981793 for the mark BLACK BEAR SPRING WATER LLC (typed form, SPRING WATER LLC disclaimed), owned by respondent, Black Bear Spring Water LLC. The registration issued on August 2, 2005 on the Principal Register. The goods are identified therein as "bottled water," in International Class 32.

In its petition for cancellation, petitioner alleges that it is the owner of application Serial No. 77492549 for the mark BLACK BEAR SODA in standard characters for "carbonated soft drinks" in International Class 32. Petitioner argues that respondent's registration was cited as a bar to registration of its applied-for mark; that petitioner has made prior use of its BLACK BEAR SODA mark; and that as a result of the similarity between the parties' marks as applied to their respective goods, confusion is likely among consumers as to the source of those goods.

In its answer, respondent denied the salient allegations of the petition to cancel. Respondent further asserted "affirmative defenses" that are more in the nature of amplifications of its denials and have been so construed.

#### The Record

The record in this case consists of the pleadings and the file of respondent's involved Registration No. 2981793. In addition, pursuant to Trademark Rule 2.123(b) the parties stipulated that the testimony of any witness may be taken by affidavit or declaration. The parties further stipulated to make of record pages 1-4 of respondent's responses to petitioner's first set of interrogatories. <sup>3</sup>

Pursuant to the above, during its assigned testimony and rebuttal testimony periods, petitioner submitted notices of reliance upon the following: the affidavit, with exhibits, of petitioner's president, Peter J. Caruso; the second declaration, with exhibits, of Peter J. Caruso; the third declaration of Peter J. Caruso; the declaration, with exhibits, of petitioner's counsel, Donald J. Ersler; the declaration of respondent's office manager, Jill A. Wilson; the first and supplemental declarations of the principal and managing member of respondent, James J. Purcaro; and the file history of petitioner's application Serial No. 77492549.

\*2 During its assigned testimony period, respondent submitted notices of reliance upon the following: the declaration, with exhibits, of its principal and managing member, James J. Purcaro; the declaration of its office manager, Jill A. Wilson; petitioner's responses to certain of respondent's interrogatories; specimens of use of respondent's involved mark; and the file wrappers of the involved registration and petitioner's asserted application. A Respondent further submitted the supplemental declaration, with exhibits, of James J. Purcaro.

Petitioner and respondent filed main briefs.

#### **Respondent's Motion to Amend Answer**

After the parties filed their briefs on the merits of the case, respondent filed a motion under Fed. R. Civ. P. 15(b)(2) to amend its answer to conform to the evidence by asserting laches as an affirmative defense. In its motion, respondent asserts that during its assigned testimony period, it submitted evidence going toward its laches defense. Respondent further asserts that petitioner did not move to strike such evidence; rather, petitioner filed evidence during its rebuttal testimony period addressing respondent's laches defense. Thus, respondent argues, petitioner was fairly apprised of respondent's laches defense, and that the issue of laches was tried by petitioner's implied consent. In response, petitioner asserts that respondent's motion "is nothing more than a thinly veiled attempt to have reconsideration" of of its earlier motion to amend to assert laches. Petitioner argues that respondent has unreasonably delayed in bringing its motion to amend and that petitioner will be prejudiced by its inability to address the defense, and because further delay will continue to prevent petitioner from expanding its territory of operation during the increased pendency of this proceeding. Petitioner argues in addition that it did object to respondent's earlier attempt to assert laches and has not provided express or implied consent to this attempt. In reply, respondent argues that it is not seeking reconsideration of the Board's earlier interlocutory order, but rather bases its present motion on evidence subsequently made of record. Respondent reiterates that petitioner did not object to its evidence going toward the issue of laches, but rather submitted rebuttal evidence on the issue.

Turning now to the merits of respondent's motion, Fed. R. Civ. P. 15(b)(2) provides as follows:

When an issue not raised by the pleadings is tried by the parties' express or implied consent, it must be treated in all respects as if raised in the pleadings. A party may move - at any time, even after judgment - to amend the pleadings to conform to the evidence and to raise an unpleaded issue. But failure to so amend does not affect the result of the trial of that issue.

TBMP §507.03(b) (3d ed. 2011) provides, in pertinent part, that "[i]mplied consent to the trial of an unpleaded issue can be found only where the nonoffering party (1) raised no objection to the introduction of evidence on the issue, and (2) was fairly apprised that the evidence was being offered in support of the issue."

\*3 In this case, respondent introduced declaration testimony and evidence during its testimony period on the issue of petitioner's asserted "undue delay" in bringing this proceeding and the resulting detriment to respondent. We note, however, that petitioner submitted rebuttal declarations on the issue of the parties' knowledge of each other's marks and the asserted detriment to respondent. As a result, our review of the record convinces us that the issue of laches was impliedly tried by the parties as contemplated under Fed. R. Civ. P. 15(b). Simply put, petitioner did not object to respondent's introduction of testimony and evidence on the issue of laches. Rather, petitioner submitted rebuttal testimony and evidence on that issue. We find, therefore, that petitioner was fairly apprised that respondent's testimony and evidence was being submitted on the issue of laches. See, for example, Time Warner Entertainment Co. v. Jones, 65 USPQ2d 1650, 1653 n.2 (TTAB 2002) (where opposer, during trial, filed notice of reliance on seven unpleaded registrations and where applicant did not object thereto, Board found parties had tried by implied consent, any issues arising from those registrations); and Kasco Corp. v. Southern Saw Service Inc., 27 USPQ 2d 1501, 1504 (TTAB 1993) (defendant raised no objection to evidence on unpleaded issue but was fairly apprised of its purpose).

In view thereof, respondent's motion to amend its answer to the petition for cancellation to assert the affirmative defense of laches is granted.

Nonetheless, we must observe at this point that neither petitioner nor respondent discussed laches in their briefs on the case. Respondent's arguments in its brief with regard to petitioner's delay in bringing this action are directed solely to the relative strength of the parties' marks. Petitioner did not discuss laches in its brief and did not file a reply brief. Thus, while we are left with evidence in the record on the issue of laches without corresponding arguments in the parties' briefs, we find (1) that such evidence demonstrates that the parties considered laches to be an issue in this case; and (2) the evidence is sufficiently straightforward that we may make a determination thereupon without the parties having addressed the matter in their briefs.

#### Laches

To prevail on the affirmative defense of laches, respondent has to establish that there was undue or unreasonable delay by petitioner in asserting its rights, and prejudice to respondent resulting from the delay. *Bridgestone/Firestone Research Inc. v. Automobile Club de l'Ouest de la France*, 245 F.3d 1359, 58 USPQ2d 1460 (Fed. Cir. 2001). In this case, there is testimony that petitioner first became aware of respondent and its involved mark on September 18, 2008 upon receipt of a communication from the examining attorney assigned to its application Serial No. 77492549, in which respondent's involved mark was cited as a bar to registration. <sup>10</sup> Even absent this testimony, the earliest date for purposes of determining whether there has been undue delay is the March 2, 2004 publication date and the August 2, 2005 issue date of the subject registration. *See National Cable Television Ass'n, Inc. v. American Cinema Editors, Inc.*, 937 F.2d 1572, 1581, 19 USPQ2d 1424, 1432 (Fed. Cir. 1991) (laches runs from the time from which action could be taken against the trademark rights inhering upon registration). Petitioner brought this cancellation proceeding on March 9, 2009, approximately five years after the publication date and three years and seven months after the date of registration.

\*4 The two factors of unreasonable delay and prejudice must be considered together. On its face, the delay cannot be viewed as unreasonable, inasmuch as the Trademark Act provides that a cancellation action may be brought on the ground of likelihood of confusion up until the point that a registration is five years old. We would also point out that the registration date is only constructive notice of respondent's registration; petitioner does not appear to have had actual notice of respondent's use of the mark until September 2008, a mere six months before the petition for cancellation was filed. As for prejudice resulting to respondent from this delay in asserting its rights, respondent states that in reliance on petitioner's silence, respondent "expanded its business and expended large sums of money in advertising and building good will" in its mark. According to respondent's testimony, the total expenditures in advertising from August 2005 to March 2009 are \$165,000, while advertising costs from 2003 through 2009 are \$285,000. <sup>12</sup> We further note evidence that respondent became aware of petitioner as early as November 3, 2008 when petitioner sent a letter and proposed consent agreement to respondent in an attempt to obviate the examining attorney's refusal to register the mark in its application. <sup>13</sup> Thus, respondent's advertising expenditures incurred after November 2008 could not have been made in reliance on petitioner's inaction.

In light of the foregoing, we find that respondent has not demonstrated that petitioner's claim is barred by laches. We turn then to petitioner's pleaded ground of priority and likelihood of confusion.

# **Petitioner's Standing**

Preliminarily, it is noted that there is no issue as to petitioner's standing to bring this proceeding. As previously indicated, petitioner filed application Serial No. 77492549 to secure registration for its BLACK BEAR SODA mark. Such application has been refused registration on the basis of respondent's involved registration. <sup>14</sup> Petitioner, therefore, has adequately proven its standing to be heard on its claim of priority and likelihood of confusion. *See, e.g., Lipton Industries, Inc. v. Ralston Purina Co.*,

670 F.2d 1024, 213 USPQ 185, 189 (CCPA 1982) (to have standing in a cancellation proceeding, "it would be sufficient that appellee prove that it filed an application and that a rejection was made because of appellant's registration").

# **Priority of Use**

It is well-settled that in the absence of any evidence of earlier use, the earliest date upon which a respondent may rely is the filing date of its underlying application. *See* Trademark Act Section 7(c), 15 U.S.C. §1057(c). *See also Larami Corp. v. Talk to Me Programs, Inc.*, 36 USPQ2d 1840 (TTAB 1995). In this case, the application that matured into respondent's registration at issue was accorded a filing date of March 20, 2003. Inasmuch as respondent has neither alleged nor introduced any evidence to support a finding that it made earlier use of its BLACK BEAR SPRING WATER LLC mark, we find that March 20, 2003 is the earliest date upon which respondent is entitled to rely for purposes of priority. Petitioner, therefore, may establish its priority by proving that on or before March 20, 2003, it made use of the BLACK BEAR SODA mark in connection with carbonated soft drinks.

\*5 Because petitioner has not pleaded ownership of any registered trademark, and further because its pleaded application was filed subsequent to the filing date of the application that matured into respondent's registration, petitioner must rely on its common law use of BLACK BEAR SODA as a trademark to prove priority. In order for a plaintiff to prevail on a claim of likelihood of confusion based on its ownership of common law rights in a mark, the mark must be distinctive, inherently or otherwise, and plaintiff must show priority of use. *See Otto Roth & Co. v. Universal Foods Corp.*, 640 F.2d 1317, 209 USPQ 40 (CCPA 1981).

Respondent maintains that petitioner has not demonstrated its priority as to the mark BLACK BEAR SODA. First, respondent argues that "[p]etitioner's evidence consists of unsubstantiated allegations as to its first use date and first use date in commerce." Respondent asserts that the invoices showing petitioner's earliest use, dated March 22, 2002 and March 28, 2002, fail to show that such use was made in connection with the BLACK BEAR SODA mark. Second, respondent argues that the labels submitted by petitioner in connection with its claim of priority do not indicate the date upon which sales of the products bearing the labels were made. Thus, respondent argues, "Petitioner has not established a first use in commerce that is prior to Respondent's date and Petitioner cannot prevail." 17

Upon review of the evidence of record, we find that petitioner has failed to prove that it made prior use of its BLACK BEAR SODA mark. We find, however, that the record demonstrates that petitioner made sales of carbonated soft drinks under the common-law mark BLACK BEAR at least as early as March 22, 2002 and that such sales have been followed by activities proving continuous use of that mark.

Petitioner testified that it first used the mark BLACK BEAR in connection with carbonated soft drinks in intrastate commerce in 1920. <sup>18</sup> Petitioner further testified that its first interstate use of its BLACK BEAR mark in connection with the sale of carbonated soft drinks occurred in January 1998; however, "invoices providing evidence of a first date of use in commerce were destroyed, after moving to the new Black Bear headquarters in Oak Creek in April 2001." <sup>19</sup> Petitioner submitted an invoice from March 22, 2002, displaying the mark BLACK BEAR and testified that "[e]ach bottle was labeled with the mark Black Bear." <sup>20</sup> Petitioner submitted subsequent invoices and labels displaying the BLACK BEAR mark in connection with carbonated soft drinks. <sup>21</sup>

Petitioner further testified that sales of carbonated soft drinks under the mark BLACK BEAR have been continuous. <sup>22</sup> We find that petitioner's testimony is clear and consistent as to how the invoice records and labels are kept. We further find that petitioner's testimony is uncontradicted by any testimony or evidence submitted by respondent.

\*6 Therefore, we find that petitioner has demonstrated, by a preponderance of the evidence, use of the mark BLACK BEAR in connection with carbonated soft drinks as early as March 22, 2002 - a date prior to the earliest date respondent can rely on, March 20, 2003, and that initial sales were followed by activities proving continuous use of the BLACK BEAR mark. <sup>23</sup> See National Bank Book Co. v. Leather Crafted Products, Inc., 218 USPQ 826, 828 (TTAB 1993) (oral testimony may be sufficient to prove the first use of a party's mark when it is based on personal knowledge, it is clear and convincing, and it has not been contradicted); and Liqwacon Corp. v. Browning-Ferris Industries, Inc., 203 USPQ 305, 316 (TTAB 1979) (oral testimony may be sufficient to establish both prior use and continuous use when the testimony is proffered by a witness with knowledge of the facts and the testimony is clear, convincing, consistent, and sufficiently circumstantial to convince the Board of its probative value).

#### Likelihood of Confusion

Our likelihood of confusion determination under Section 2(d) is based on an analysis of all of the facts in evidence that are relevant to the factors bearing on the likelihood of confusion issue. See In re E. I. du Pont de Nemours & Co., 476 F.2d 1357, 177 USPQ 563 (CCPA 1973). See also Palm Bay Imports, Inc. v. Veuve Clicquot Ponsardin Maison Fondee En 1772, 396 F.3d 1369, 73 USPQ2d 1689 (Fed. Cir. 2005); In re Majestic Distilling Company, Inc., 315 F.3d 1311, 65 USPQ2d 1201 (Fed. Cir. 2003); and In re Dixie Restaurants Inc., 105 F.3d 1405, 41 USPQ2d 1531 (Fed. Cir. 1997).

## The Goods

Turning first to our consideration of the similarities or dissimilarities between the parties' goods, we note that it is well established that the goods of the parties need not be similar or competitive, or even offered through the same channels of trade, to support a holding of likelihood of confusion. It is sufficient that the respective goods of the parties are related in some manner, and/or that the conditions and activities surrounding the marketing of the goods are such that they would or could be encountered by the same persons under circumstances that could, because of the similarity of the marks, give rise to the mistaken belief that they originate from the same source. See Hilson Research, Inc. v. Society for Human Resource Management, 27 USPQ2d 1423 (TTAB 1993); and In re International Telephone & Telephone Corp., 197 USPQ 910, 911 (TTAB 1978). The issue, of course, is not whether purchasers would confuse the goods, but rather whether there is a likelihood of confusion as to the source thereof. In re Rexel Inc., 223 USPQ 830 (TTAB 1984).

\*7 In this case, respondent's "bottled water" is related on its face to petitioner's "carbonated soft drinks" inasmuch as both are commonly available beverage products. Furthermore, petitioner made of record the file history of its pleaded application Serial No. 77492549, including the examining attorney's Office Action and evidence citing respondent's involved mark as a bar to registration. Such evidence consists of third-party registrations showing the goods of both petitioner and respondent identified by the same marks. The following examples are illustrative: Registration No. 3142609 for goods including "carbonated and non-carbonated soft drinks; bottled drinking water"; Registration No. 3060794 for goods including "carbonated and non-carbonated beverages, namely soft drinks, fruit juices, smoothies, beer; drinking water"; Registration No. 3407929 for goods including "bottled water, drinking water, soft drinks"; and Registration No. 3406531 for goods including "non-alcoholic carbonated and non-carbonated beverages, namely, fruit-flavored soft drinks, soft drink colas, soft drinks flavored with tea, bottled water, namely, spring water". Third-party registrations which individually cover a number of different items and which are based on use in commerce serve to suggest that the listed goods and/or services are of a type which may emanate from a single source. See In re Albert Trostel & Sons Co., 29 USPQ2d 1783, 1786 (TTAB 1993). Thus, the record in this case supports a finding that entities utilize a single mark to identify both petitioner's and respondent's goods.

## Channels of Trade

Respondent argues that its goods move in different channels of trade from those in which petitioner's goods are encountered. The testimony and evidence adduced at trial demonstrate that petitioner markets its soft drinks primarily in 20 ounce bottles to beverage distributors, grocery stores and bars for subsequent sale to end consumers. <sup>24</sup> Respondent markets its goods primarily

in 8, 16.9, and 24 ounce bottles, as well as 1, 3, and 5 gallon bottles for use in water coolers, to consumers' residences, businesses and sporting events for consumption. <sup>25</sup> Thus, it appears that petitioner's goods are marketed through somewhat different trade channels from those in which respondent's goods are marketed. Nonetheless, we note that there is overlap between consumers who purchase petitioner's soft drinks from distributors or grocery stores for consumption at their place of residence or business and consumers who purchase respondent's bottled water for consumption in the same places. In other words, the same consumers of petitioner's soft drinks may consume respondent's bottled water. We find, as a result, that while the parties' goods may be marketed in somewhat different channels of trade, the end consumers are the same.

#### **Actual Confusion**

\*8 Another du Pont factor discussed by the parties is the lack of instances of actual confusion despite use by the parties of their respective marks from July 2003 until the time of trial. Petitioner has not introduced any testimony or evidence to support a finding that actual confusion has occurred. However, petitioner is correct that it is not necessary to show actual confusion in order to establish likelihood of confusion. *See Weiss Associates Inc. v. HRL Associates Inc.* 902 F.2d 1546, 223 USPQ 1025 (Fed. Cir. 1990). Thus, while evidence of actual confusion would strongly support a finding of likelihood of confusion, the absence thereof does not require a finding of no likelihood of confusion. *See In re Majestic Distilling Company, Inc.*, 315 F.3d 1311, 65 USPQ2d 1201, 1205 (Fed. Cir. 2003) ("The lack of evidence of actual confusion carries little weight."). We further note that testimony and evidence of record indicates that the parties' goods are sold in geographically distinct areas of the United States. <sup>26</sup> As a result, there does not appear to have been many opportunities for actual confusion to occur.

# The Marks

We turn now to the first *du Pont* factor, i.e., whether respondent's and petitioner's marks are similar or dissimilar when viewed in their entireties in terms of appearance, sound, connotation and overall commercial impression. *See Palm Bay Imports, Inc. v. Veuve Clicquot, supra.* The test, under the first *du Pont* factor, is not whether the marks can be distinguished when subjected to a side-by-side comparison, but rather whether the marks are sufficiently similar in terms of their overall commercial impression that confusion as to the source of the goods offered under the respective marks is likely to result.

We note that while we must base our determination on a comparison of the marks in their entireties, we are guided, equally, by the well-established principle that, in articulating reasons for reaching a conclusion on the issue of confusion, "there is nothing improper in stating that, for rational reasons, more or less weight has been given to a particular feature of a mark, provided the ultimate conclusion rests on consideration of the marks in their entireties." *In re National Data Corp.*, 732 F.2d 1056, 224 USPQ 749, 751 (Fed. Cir. 1985).

In this case, petitioner's BLACK BEAR mark is similar to respondent's BLACK BEAR SPRING WATER LLC mark in that the identical wording, BLACK BEAR, comprising the entirety of petitioner's mark is the distinctive first term of respondent's mark. We find that the wording BLACK BEAR, being the first term in respondent's mark, is the dominant feature in the commercial impression created thereby. *See Presto Products, Inc. v. Nice-Pak Products Inc.*, 9 USPQ2d 1895, 1897 (TTAB 1988)("...[it is] a matter of some importance since it is often the first part of a mark which is most likely to be impressed upon the mind of a purchaser and remembered."). *See also Palm Bay Imports Inc. v. Veuve Clicquot Ponsardin, supra*, ("Veuve" is the most prominent part of the mark VEUVE CLICQUOT because "veuve" is the first word in the mark and the first word to appear on the label). Furthermore, the disclaimed wording SPRING WATER LLC in respondent's mark clearly is generic for respondent's goods and business entity and has no source-identifying significance.

\*9 Thus, to state the obvious, we find that the wording BLACK BEAR in respondent's mark contributes more significantly to its commercial impression than the wording SPRING WATER LLC. In terms of appearance, sound, connotation and overall commercial impression, we find that the similarities between the parties' marks which result from the presence of BLACK BEAR as the first term of respondent's mark outweigh the dissimilarities resulting from the different second term, SPRING

WATER LLC. Viewing the marks in their entireties, we find that they are similar because the wording BLACK BEAR is the dominant, and identical, feature of respondent's mark and the entirety of petitioner's mark. <sup>27</sup>

We are not persuaded by respondent's argument that petitioner's BLACK BEAR mark is weak or otherwise entitled to a narrow scope of protection. Respondent's position, which essentially is a conflation of its laches argument, is that because of petitioner's delay in bringing this action, respondent's mark "has become symbolic of the extensive good will and consumer recognition built up by Respondent." <sup>28</sup> However, in arguing that "it is Respondent who should be accorded broad protection" <sup>29</sup> respondent has not introduced any evidence that petitioner's BLACK BEAR mark is weak or otherwise entitled to a narrow scope of protection. To the contrary, there is nothing in the record to suggest that BLACK BEAR is suggestive of petitioner's goods or that there exists extensive third-party use of similar marks on related goods. We note in addition that even if petitioner's BLACK BEAR mark was found to be a weaker mark entitled to a narrower scope of protection, such scope would nonetheless be sufficient to prevent the registration of such a highly similar mark as that of respondent for goods that are closely related.

## Conclusion

We have carefully considered all of the testimony and evidence pertaining to priority of use, the relevant *du Pont* factors, as well as all of the parties' arguments with respect thereto, including any evidence and arguments not specifically discussed in this opinion.

We conclude that petitioner has established priority of use as to its BLACK BEAR mark and that consumers familiar with petitioner's goods under such mark would be likely to believe, upon encountering respondent's BLACK BEAR SPRING WATER LLC mark for its goods, that the parties' goods originate with or are associated with or sponsored by the same entity. In making our determination, we have balanced the relevant *du Pont* factors. The factors of the relatedness of the goods and the similarities in the marks weigh strongly in petitioner's favor.

DECISION: Based upon our findings above, the petition to cancel on the ground of priority and likelihood of confusion is granted. Registration No. 2981793 will be cancelled in due course.

#### Footnotes

- Application Serial No. 77492549 was filed on June 6, 2008, based upon the assertion of May 15, 1920 as the date of first use of the mark anywhere and January 2, 1998 as the date of first use of the mark in commerce in connection with the goods.
- 2 In addition, petitioner asserted a claim of fraud but did not pursue such claim at trial. Accordingly, it is deemed waived.
- The Board commends the parties for utilizing such evidentiary stipulations. *See* TBMP §528.05(a)(2) (3d ed. 2011) and authorities cited therein.
- As noted by respondent, the file wrapper of the involved registration is automatically of record and respondent's submission thereof by notice of reliance is thus unnecessary and redundant.
- We note that certain of the declarations submitted by petitioner and respondent during their assigned testimony periods are identical. The parties are reminded that when evidence is made of record by one party, it may be referred to by any other party for any purpose permitted by the Rules of Evidence. *Anheuser-Busch, Inc. v. Major Mud & Chemical Co., Inc.*, 221 USPQ 1191, 1192 n.7 (TTAB 1984).
- 6 Petitioner's response to motion to amend, p. 1.
- Respondent's previous motion, filed on the last day of its testimony period, to amend its answer to assert laches was denied in an interlocutory order issued on September 27, 2010 on the ground that it would be prejudicial to petitioner to allow the amendment at that stage in the proceeding.
- 8 Declaration and supplemental declaration of James J. Purcaro; and Declaration of Jill A. Wilson.
- 9 Second declaration of Peter J. Caruso; and Declaration of Donald J. Ersler.
- 10 Second Declaration of Peter J. Caruso; and Declaration of Donald J. Ersler.
- 11 Motion to amend, p. 14.

- 12 Supplemental declaration of James J. Purcaro.
- Declaration of Donald J. Ersler and Exhibits A-C.
- 14 Declaration of Donald J. Ersler, Exhibits A-C.
- Respondent asserts that its earliest date of first use is June 5, 2003, which is subsequent to its filing date. Furthermore, respondent indicates that its first sale of goods under its involved mark in interstate commerce occurred in July 2003 (Respondent's response to petitioner's Interrogatory No. 1).
- Respondent's brief, p. 6.
- 17 <u>Id.</u> at 8.
- 18 Affidavit of Peter J. Caruso.
- 19 <u>Id.</u>
- 20 Id. and Exhibit 5.
- 21 <u>Id.</u> and Exhibits 6-11.
- 22 Id.
- We note that while petitioner did not specifically assert ownership of the mark BLACK BEAR in its petition for cancellation, its testimony and evidence, as well as its arguments in its brief on the issue of priority, are directed toward its use of the BLACK BEAR mark. Similarly, certain of respondent's arguments regarding priority in its brief are directed toward petitioner's use of the BLACK BEAR mark. Accordingly, we deem the petition to cancel to be amended to assert a claim of priority and likelihood of confusion based upon petitioner's use of the mark BLACK BEAR in connection with carbonated soft drinks. In any event, because the word "soda" is a generic term for carbonated soft drinks, the marks BLACK BEAR SODA and BLACK BEAR are legal equivalents.
- 24 Affidavit of Peter J. Caruso.
- 25 Declaration of James J. Purcaro.
- 26 Affidavit of Peter J. Caruso, Exhibit 8.
- We note that if we were to compare respondent's BLACK BEAR SPRING WATER LLC mark with the BLACK BEAR SODA mark in petitioner's pleaded application, the result would be the same. The mere presence of the generic term SODA in petitioner's applied-for mark is insufficient to create a commercial impression that is separate and distinct from respondent's mark BLACK BEAR SPRING WATER LLC.
- Respondent's brief, p. 13.
- 29 <u>Id.</u>

2011 WL 3871951 (Trademark Tr. & App. Bd.)

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2013 WL 5498172 (Trademark Tr. & App. Bd.)

#### THIS OPINION IS NOT A PRECEDENT OF THE TTAB

Trademark Trial and Appeal Board

Patent and Trademark Office (P.T.O.)

GADO S.R.L.

v.

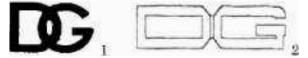
JAY-Y ENTERPRISE CO., INC.

Cancellation No. 92047433 September 26, 2013 Hearing: March 21, 2013

\*1 Mark Lerner of Satterlee Stephens Burke & Burke LLP for Gado S.R.L. Kenneth L. Wilton of Seyfarth Shaw LLP for Jay-Y Enterprise Co., Inc.

Before Grendel, Shaw, and Masiello Administrative Trademark Judges Opinion by Shaw Administrative Trademark Judge:

Gado S.R.L. ("petitioner") filed a petition to cancel two registrations owned by Jay-Y Enterprise Co., Inc. ("respondent") for the mark DG in the stylized forms shown below for "Sunglasses, optical frames, and reading glasses," in International Class 9:



1 2

Petitioner brought the cancellation proceeding on the grounds that defendant's DG marks so resemble petitioner's previously used and registered famous marks, DOLCE & GABBANA, D&G DOLCE & GABBANA, and D&G, shown below, as well as petitioner's common law rights in DG (collectively, the "D&G Marks"), when used on identical or closely related goods, as to be likely to cause confusion, to cause mistake, or to deceive under Trademark Act Section 2(d), 15 U.S.C. § 1052(d).



DOLCE & GABBANA<sup>3</sup>

Inter alia, "eyeglasses," in International Class 9.

4

*Inter alia*, "clothing for men, women and children, namely, suits made of leather; shirts; blouses; skirts; jackets; trousers; shorts; vests; jersey; pajamas; stockings; singlets; corsets; garters; pants; petticoats; hats; foulards; neckties; raincoats; overcoats; great-coats; bathing suits; sports overalls; wind-resistant jackets; ski pants; belts; furs; scarves; dressing gowns; shoewear, namely, slippers; shoes; sports shoes; boots," in International Class 25.

5

Inter alia, "spectacles, sunglasses, spectacle frames, spectacle lenses, spectacle cases," in International Class 9.

\*2 In addition, petitioner alleges that respondent's marks dilute and/or are likely to dilute the distinctive quality of petitioner's marks under Trademark Act Section 43(c), 15 U.S.C. § 1125. Respondent filed an answer denying all of the salient allegations in the petition for cancellation and asserting the affirmative defense of laches. Respondent also counterclaimed to cancel petitioner's D&G registration on the grounds of priority and likelihood of confusion. <sup>6</sup>

Both petitioner and respondent objected to certain deposition testimony and exhibits on a variety of grounds. The case is fully briefed. An oral hearing was held on March 21, 2013.

## **Evidentiary Objections**

Both parties have filed extensive evidentiary objections. Respondent has filed a motion to strike testimony and documentary evidence submitted by petitioner regarding the launch of various Dolce & Gabbana marks in the United States, and regarding amounts spent by petitioner on advertising. Petitioner, for its part, objects to respondent's purchase and sales reports and reprints of its sales invoices. We now address these objections.

#### 1. The 2001 Annual Review

Respondent first objects to the use of petitioner's 2001 Annual Review, to show the launch of the Dolce & Gabbana line, on the grounds that any statements in the report are hearsay and cannot be used to prove the truth of the matters asserted. We agree with respondent, but only with regard to statements regarding the history of the Dolce & Gabbana brand, not with regard to the financial information contained in the review. Annual reports are not admissible to show the truth of the matters stated therein unless a competent witness has testified to the truth of such matters. *See Midwest Plastic Fabricators Inc.*, v. *Underwriters Laboratories Inc.*, 12 USPQ2d 1267, 1270 n. 5 (TTAB 1989) *aff'd*, 906 F.2d 1568, 15 USPQ2d 1359 (Fed. Cir. 1990). Petitioner has not provided competent testimony to support the historical details in the Annual Review, but we find the financial information contained in the review to be admissible because it was properly testified to by Paolo Vannucchi who had personal knowledge of the information through his duties as Director of Planning and Control for Dolce & Gabbana S.R.L. Even though Mr. Vannucchi joined Dolce & Gabbana in 1999, his testimony clearly demonstrated that he had assisted in the preparation of the financial information from petitioner's business records. The objection is affirmed in part and overruled in part. The 2001 Annual Review will be considered only with regard to the financial information contained therein.

# 2. Gabriella Forte's testimony regarding use of initials by third parties

\*3 Respondent objects to the testimony of Gabriella Forte regarding the practice of designers to use initials as marks, on the grounds that it is hearsay. 9 We disagree. Ms. Forte has over 30 years of fashion experience and has held senior positions at

firms such as Giorgio Armani and Calvin Klein, as well as at petitioner, Dolce & Gabbana. <sup>10</sup> She is a highly credible witness who demonstrated her knowledge in matters of style as well as business. Her extensive experience in the fashion industry easily qualifies her to opine on the practices of fashion designers, especially ones with which she has worked. The objection is overruled.

# 3. The remaining objections are not outcome determinative

As will be seen *infra*, none of the remaining testimony and/or exhibits sought to be excluded is outcome determinative. Given this fact, coupled with the number of objections, we see no compelling reason to discuss the remaining objections in a detailed fashion. Suffice it to say, we have considered all of the testimony and exhibits submitted by the parties. In doing so, we have kept in mind the various objections raised by the parties, and we have accorded whatever probative value the subject testimony and exhibits merit <sup>11</sup>

#### The Record

The record consists of the pleadings and the files of the involved registrations. In addition, the parties introduced the following evidence into the record:

- The affidavit of Michael K. Koran, Vice President of Audit Services for the Audit Bureau of Circulation, with exhibits;
- The deposition of Gabriella Forte, Merchandise Manager and consultant to Dolce & Gabbana, with exhibits;
- The deposition of Paolo Vannucchi, Director of Planning and Control for Dolce & Gabbana, with exhibits;
- The deposition of Lou Zollo, Senior Controller for Dolce & Gabbana, with exhibits;
- The deposition of Roberto Lupano, Media Manager for Planning and Buying at Dolce & Gabbana, with exhibits;
- The deposition of James Chen, President of Jay-Y Enterprise, with exhibits;
- The deposition of Teresa Chen, an employee of Jay-Y Enterprise and the wife of James Chen, with exhibits;
- The deposition of Ward Chen, an employee of Jay-Y Enterprise and the son of James Chen, with exhibits;
- The deposition of Michael Ou, a computer consultant employed by Jay-Y-Enterprise, with exhibits;
- Copies of Federal registrations and applications introduced by Petitioner's First Notice of Reliance;
- Portions of printed publications introduced by Petitioner's First Notice of Reliance and Second Supplemental Notice of Reliance; and
- Respondent's responses to petitioner's interrogatories introduced by Petitioner's First Notice of Reliance and Second Supplemental Notice of Reliance.

#### The Parties

\*4 Petitioner is an Italian company which owns the D&G marks identified above and licenses them to Dolce & Gabbana S.R.L., (hereinafter, "Dolce & Gabbana"), an Italian entity which makes and sells clothing and accessories, including eyewear. Dolce & Gabbana began selling clothing under the Dolce & Gabbana mark in 1985 and added a second line of clothing

and accessories in approximately 1995 which is sold under the mark D&G Dolce & Gabbana. The two lines of clothing and accessories differ mainly in price, and they are generally sold in different stores and are advertised separately.

Respondent, Jay-Y Enterprise, is a family-owned wholesaler of imported sunglasses and reading glasses. Respondent has a showroom in Pomona, California and sells its eyeglass products at trade shows, over the internet, and via catalog.

#### Laches

Prior to our consideration of petitioner's pleaded claim of priority and likelihood of confusion, we must first address respondent's affirmative defense of laches to determine whether petitioner's claim is barred thereby.

In order to prevail on the affirmative defense of laches, respondent must establish that there was undue or unreasonable delay by petitioner in asserting its rights, and that prejudice to respondent resulted from that delay. *See Bridgestone/Firestone Research Inc. v. Automobile Club de l'Quest de la France*, 245 F.3d 1359, 58 USPQ2d 1460, 1462 (Fed. Cir. 2001) ("Mere delay in asserting a trademark related right does not necessarily result in changed conditions sufficient to support the defense of laches. There must also have been some detriment due to the delay.").

In the context of this proceeding, laches begins to run from the time action could have been taken against the registration of the involved marks, regardless of when use of the mark began. *National Cable Television Ass'n, Inc. v. American Cinema Editors, Inc.*, 937 F.2d 1572, 19 USPQ2d 1424, 1431-32 (Fed. Cir. 1991). Petitioner is charged with constructive notice of the registrations when they issued on June 18, 2002 and December 17, 2002, respectively. *See Teledyne Technologies, Inc. v. Western Skyways, Inc.*, 78 USPQ2d 1203, 1210 (TTAB 2006), *aff'd unpublished opinion, Appeal Nos.* 2006-1366 and 1367 (Fed. Cir. 2006). Thus, laches begins to run no later than the issue date of the registrations.

Petitioner brought this cancellation proceeding on April 26, 2007, less than 5 years after the earliest issue date of respondent's registrations. Such time periods cannot generally be viewed as unreasonable, given that the Trademark Act provides that a cancellation action may be brought on the ground of likelihood of confusion up until the point that a registration is five years old. Nevertheless, the two factors of unreasonable delay and prejudice must be considered together.

\*5 Respondent argues that it has suffered evidentiary and economic prejudice as a result of petitioner's delay in bringing this proceeding. <sup>12</sup> We find that respondent's proofs fall short of establishing detriment due to the delay. *Hornby v. TJX Companies Inc.*, 87 USPQ2d 1411, 1419 (TTAB 2008).

Regarding evidentiary prejudice, respondent states that representative samples of sunglasses and records relating to early sales were no longer kept, but respondent provides no explanation of when these items might have been disposed of. In particular, respondent does not argue that these records were disposed of between the time its marks registered and the filing of this action. Moreover, respondent freely admits that that it was able to obtain representative samples of early sunglasses purporting to show the DG marks, as well as related invoices, thus undercutting any claim of prejudice. Finally, given that respondent filed its applications for its DG marks over seven years after its claimed dates of first use, respondent must bear some of the blame for any loss of evidence.

Regarding economic prejudice, the record is devoid of any figures regarding investments to develop the DG marks, significant advertising expenditures, or the like. In the absence of such facts, it is impossible to assess the detriment, if any, suffered by respondent during the alleged delay.

In light of the foregoing, we find that respondent has not demonstrated that petitioner's claim is barred by laches. We turn then to petitioner's pleaded ground of priority and likelihood of confusion.

### **Standing**

Petitioner has shown through the TESS printouts made of record that it is the owner of the pleaded registrations (Registration Nos. 1742622, 2096500, and 3108433) and that the registrations are valid and subsisting. Because petitioner's registrations are of record, petitioner has established its standing. *Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 55 USPQ2d 1842, 1844 (Fed. Cir. 2000); *Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185, 189 (CCPA 1982). For its part, respondent has standing to bring its counterclaims by virtue of its position as a defendant in this cancellation proceeding. *See Finanz St. Honore B.V. v. Johnson & Johnson*, 85 USPQ2d 1478, 1479 (TTAB 2007).

# **Priority**

To establish priority on a likelihood of confusion claim brought under Trademark Act Section 2(d), a party must prove that, vis-à-vis the other party, it owns "a mark or trade name previously used in the United States . . . and not abandoned. . . ." Trademark Act Section 2, 15 U.S.C. § 1052. A party may establish its own prior proprietary rights in a mark through ownership of a prior registration, actual use, or even through use analogous to trademark use, such as use in advertising brochures, trade publications, catalogues, newspaper advertisements and Internet websites which create a public awareness of the designation as a trademark identifying the party as a source. *See* Trademark Act Sections 2(d) and 45, 15 U.S.C. §§ 1052(d) and 1127. *See also T.A.B. Systems v. PacTel Teletrac*, 77 F.3d 1372, 37 USPQ2d 1879 (Fed. Cir. 1996), vacating *Pactel Teletrac v. T.A.B. Systems*, 32 USPQ2d 1668 (TTAB 1994). In addition, since respondent has counterclaimed for cancellation of one of respondent's registrations, each party in this case bears the burden of establishing its priority in connection with its claims of likelihood of confusion.

\*6 For purposes of establishing priority, either party may rely on its registrations as proof of constructive use of the marks at least as early as the filing date of the underlying applications. Trademark Act Section 7(c), 15 U.S.C. § 1057(c). A party may prove the date of first use alleged in an underlying application, if earlier than the filing date, by a preponderance of the evidence. *Hydro-Dynamics Inc. v. George Putnam Co. Inc.*, 811 F.2d 1470, 1 USPQ2d 1772, 1773 (Fed. Cir. 1987).

On the other hand, a party attempting to establish first use dates earlier than the dates alleged in its applications or registrations is subject to a higher evidentiary burden of proof. Such facts must be established by clear and convincing evidence, as opposed to the preponderance of the evidence standard. See Hydro-Dynamics Inc., 1 USPQ2d at 1773 (a date of first use earlier than that alleged in the application is a change of position from one "considered to have been made against interest at the time of filing the application," and therefore must be established by "clear and convincing evidence."); see also Martahus v. Video Duplication Services Inc., 3 F.3d 417, 27 USPQ2d 1846, 1852 n. 7 (Fed. Cir. 1993); Threshold. TV Inc. v. Metronome Enterprises Inc., 96 USPQ2d 1031, 1036 (TTAB 2010) (a party "is entitled to prove an earlier date of use than the date alleged in its application, but its proof must be clear and convincing and must not be characterized by contradiction, inconsistencies or indefiniteness."); and American Hygienic Laboratories Inc. v. Tiffany & Co., 12 USPQ2d 1979, 1984 (TTAB 1989) (holding testimony of manager regarding use of TIFFANY on compacts nine years earlier was not clear and convincing absent corroborating documents showing use of the mark.).

In proving priority, the oral testimony of a single witness may suffice, if sufficiently probative. However, to be determinative, the testimony must not be characterized by contradictions, inconsistencies and indefiniteness, but rather must carry a conviction of accuracy and applicability. *B.R. Baker Co. v. Lebow Bros.*, 150 F.2d 580, 66 USPQ 232 (CCPA 1945). Of course, oral testimony is strengthened by documentary evidence which corroborates the dates of use. *Elder Manufacturing Co. v. International Shoe Co.*, 194 F.2d 114, 92 USPQ 330 (CCPA 1952). Finally, when considering evidence of first use, we must "look at the evidence as a whole, as if each piece of evidence were part of a puzzle which, when fitted together, establishes prior use." *West Florida Seafood Inc. v. Jet Restaurants Inc.*, 31 F.3d 1122, 31 USPQ2d 1660, 1663 (Fed. Cir. 1994).

# 1. Respondent's Priority

\*7 Respondent is entitled to claim a date of first use of its DG marks at least as early as the filing date of the applications which matured into the registrations at issue, i.e., September 19, 2000 for Registration No. 2582314 and November 4, 2001 for Registration No. 2663337. Further, respondent is entitled to prove use of the mark as of the dates alleged in the applications, i.e., December 1, 1999, by a preponderance of the evidence. *Hydro-Dynamics Inc.*, 1 USPQ2d at 1773.

As late as November 30, 2007, respondent, in its Responses to Petitioner's First Set of Interrogatories, claimed that its date of first use of the DG marks was December 1999. <sup>13</sup> Respondent now claims it used the DG marks much earlier than the December 1, 1999 date alleged in the underlying applications, and submits evidence purporting to show first use of the marks as early as early as 1993. Accordingly, respondent must prove the earlier dates of first use by "clear and convincing" evidence that is not "characterized by contradictions, inconsistencies and indefiniteness." *B.R. Baker Co. v. Lebow Bros.*, 66 USPQ at 236.

In order to establish the earlier priority date, respondent offered the testimony of three current and former principal employees, James Chen, Teresa Chen, and Ward Chen, as well as testimony from a computer consultant, Michael Ou. The testimony was accompanied by exhibits consisting of representative models of sunglasses bearing the DG marks, numerous purchase and sales records, and customer invoices printed from respondent's SBT computerized accounting system which was installed the same year respondent alleges it started using the DG marks. <sup>14</sup> Respondent also submitted copies of printed product catalogs for the years 1995 through 1998.

We note that although respondent's evidence related to showing earlier use of the DG marks is voluminous, the probative value of the evidence is significantly reduced by a variety of factors, *inter alia*: critical factual omissions; testimony contradicted or unsupported by other testimony or by what documentary evidence is available; a lack of contemporary documentation or advertising showing any use of DG prior to the filing of the applications; and the imperfect or selective memories of some of respondent's principal employees regarding adoption of the DG marks and the filing of the trademark applications.

The testimony of respondent's president, James Chen, was vague and evasive regarding the adoption and registration of the DG marks. Chen founded Jay-Y Enterprise in 1983 but claimed that he turned over much of the operation of the company to his wife, beginning in around 1990, except for "managing" respondent's relationship with its factories in Taiwan and China. <sup>15</sup> Nevertheless, in 2000 and 2001, Chen, as president of Jay-Y Enterprise, signed both underlying applications which matured into the registrations at issue. His testimony indicates that he had little, if any, understanding regarding what he was signing and whether the marks were in use. The following testimony is representative of Chen's testimony:

\*8 Q. "Do you recognize [the stylized DG mark shown in Registration No. 2582314] as a trademark that is owned by Jay-Y?"

A. "I'm not sure. I had signed the [application], but I'm not sure if that was used or not."

\* \* \*

Q. "Do you recognize this collection of papers [the application underlying Registration No. 2663337]?"

A. "Well, basically I really don't understand the English, but I remember that there was an application, but it's been such a long time ago. . . ."

\* \* \*

Q. At the time you signed it (the application underlying Registration No. 2582314) do you know whether you understood the document you were signing?"
A. My wife did tell me about it."
Q. What did she tell you?
A. Oh, I'm not sure. I don't remember anymore.
* * *
Q. And did you believe that the declaration [in the application underlying Registration No. 2582314] was true at the time that you signed it?"
A. "I believed my wife."
* * *
Q. "Did you hold the title of president for Jay-Y Enterprise in November 2001?"
A. "Well just legally, legally the company I was the person who was responsible, but nobody calls me Mr. President. They just call me Mr. Chen."
* * *
Q. Do you recall what your understanding was at the time that you signed the application?
A. Well it's whatever she told me, but all the details legally, that I don't know. <sup>16</sup>
In sum, James Chen's testimony was vague and lacking in any probative value regarding respondent's first use of the DG marks and the filing of the applications.

Teresa Chen testified that she began working for respondent in 1987 in "sales and purchasing," <sup>17</sup> eventually taking over more of respondent's operations until around 2004, when her son, Ward Chen, took over. <sup>18</sup> Teresa Chen testified regarding the way in which respondent's sunglasses were purchased from suppliers when she began working for respondent:

I would go to the factories, and then they would suggest samples to me. Then what I liked or what I think would sell, well, then I would arrange for the colors. Then I would discuss pricing and then make an order. <sup>19</sup>

Chen testified that she decided respondent needed to develop its own brands of sunglasses to better compete in the sunglass market. <sup>20</sup> She testified that she came up with three brands, CG, DG, and Challenger:

Well, when I was thinking about the logo, I was trying to think about what might be appropriate. So when I saw the Christian Dior, they have the logo CD, or Calvin Klein, they have CK. So I came up with the idea of having either CG or DG and also using the brand Challenger. <sup>21</sup>

\*9 Chen testified she then contacted the factory to have these newly-chosen marks applied to several styles of sunglasses:

Well, after I thought up the names, then I went to the factory and asked them to do some drawings for me. And after that I chose -- after I chose the drawings, then I asked them to put it on one or two styles maybe on the corner of the sunglasses or on the lens. <sup>22</sup>

Chen further testified that each "style or model" of sunglasses sold by respondent has a "model number[] that is unique to each style of sunglass." <sup>23</sup>

Teresa Chen's son and respondent's current manager, Ward Chen, began working in the warehouse at Jay-Y in 1997. <sup>24</sup> In 1999 he took over additional duties in the company eventually taking over all management responsibilities in 2004. Ward Chen confirmed respondent's practice of applying its marks, including the DG marks, to existing styles of sunglasses offered by respondent's manufacturers:

Q. So as to those . . . manufacturers from whom Jay-Y purchases sunglasses, does Jay-Y also instruct those manufacturers as to the designs of glasses that it wishes them to manufacture?

A. Let me explain it to you then. People have different designs. Then they'll offer the designs to us. Like, you know one factory may just have ten designs. So, you know, we see them. We -- okay. We like this one. So we buy from this guy. And then we put our trademarks on it, our marks on it.

\* \* \*

Q. [W]as this model shown to you [by the manufacturer] as is with the letters DG as being available for purchase from a manufacturer?

A. This one in particular, no. . . . It probably had something else besides the mark, the logo right here (indicating). . . . But then we told them to use DG instead of the existing logo that it had here. <sup>25</sup>

Respondent's primary evidence consists of sales records from the SBT accounting system showing that certain sunglass models, purportedly bearing the DG marks, were sold by respondent between 1993 and 1998. <sup>26</sup> But Teresa Chen testified that the DG marks were applied to existing sunglass styles offered by various manufacturers to respondent. <sup>27</sup> This testimony exposes a critical shortcoming in respondent's proof of priority: Teresa Chen did not testify whether pre-existing sunglass styles offered by respondent's manufacturers retained their model numbers when the DG marks were applied, or whether they were given new model numbers. Without knowing whether the model numbers changed when the DG marks were applied to a manufacturer's existing sunglass styles, we cannot tell, simply by looking at the model numbers listed on the invoices, whether a particular model of sunglasses sold in a given year by respondent did or did not bear the DG marks. That is, the evidence only proves which styles or models were sold in a given year, not whether those particular models carried the DG marks. In addition, the evidence does not explain whether respondent ever sold any unbranded models of the identified sunglasses models either before or after it claims to have affixed the DG marks to these models. Simply put, the sales records fail to prove by clear and convincing evidence that the model numbers identified and sold by respondent carried the DG marks during the period from 1993 to 1998.

\*10 We find also that there is a complete lack of contemporary evidence corroborating use of the DG marks during the period from 1993 to 1998. Further, testimony purporting to explain the absence of such contemporary evidence is contradicted by the record. For example, none of respondent's catalogs from the years 1995 to 1998 show any use of the DG marks. Teresa Chen testified that she asked for the DG marks to be put "on the lens" 28 of some of the sunglasses, but there are no sunglasses bearing the DG marks on the lens in any of respondent's catalogs. Many of the sunglass models alleged to bear the DG marks are displayed in respondent's catalogs; however, the DG marks are not visible on any of the sunglasses because the glasses all face forward while the identified sunglasses show the DG marks on the side of the glasses. <sup>29</sup> When asked by petitioner's counsel why the DG marks could not be seen on any of the sunglasses in the catalogs, Teresa Chen stated that the photographers preparing the catalog needed to show the sunglasses facing forward, thus obscuring a view of the DG marks on the side of the glasses. <sup>30</sup> Teresa Chen also testified that it was "more important" to show the front of the glasses. <sup>31</sup> This testimony, claiming a need to show only the front of the sunglasses, is clearly contradicted by the fact that respondent's catalogs present numerous other sunglass models in a three-quarter perspective showing both the front and decorative side or temple portion of the glasses.

Similarly, Ward Chen's testimony regarding his involvement in the decision to file trademark applications for the DG marks is contradicted by his own testimony elsewhere in the record. Ward Chen testified that he was not involved in the decision to register the DG marks and was not involved in the filing of the applications:

Q. Were you involved in the decision to register the mark DG?

A. No.

Q. Were you involved in filing the application for the mark DG?

A. No, I was not. 32

But respondent's responses to Petitioner's First Set of Interrogatories, prepared by Ward Chen himself, <sup>33</sup> provided a completely different answer--that he was involved in the filing of the applications for the DG marks.

#### **INTERROGATORY NO. 10:**

Identify each person or concern who participated in the decision to register Respondent's mark(s) in the United States, and the duties or services performed by such persons.

#### **RESPONSE TO INTERROGATORY NO. 10:**

Ward Chen, Purchasing Director of Respondent; Teresa Chen, General Manager of Respondent and attorneys representing Respondent.

\* \* \*

#### **INTERROGATORY NO. 12:**

Identify all persons or concerns who participated in the decision to file and the actual filing of the application, Ser. No. 78/026,522 [now Registration No. 2582314], on or about September 19, 2000.

# \*11 RESPONSE TO INTERROGATORY NO. 12:

See response to Interrogatory No. 10. 34

Thus, Ward Chen initially admitted that he was directly involved in the decision to register the DG marks, and then later testified that he was not involved in registering the marks. His contradictory statements reduce the credibility of his testimony and undercut respondent's proof of priority.

Teresa Chen also testified that respondent was trying to build the DG brand by highlighting it to potential customers, but this testimony is unsupported by any documentary evidence. <sup>35</sup> There is no mention or use of the letters DG in any description of respondent's goods or as part of a model number in any of the numerous sales records or invoices from 1993 to 1998. <sup>36</sup> Except for the catalogs, which do not show the DG marks, respondent has not submitted any advertisements, trade show records, or other documents promoting any of its goods, much less sunglasses bearing the DG marks. It is certainly not necessary to use a mark in these ways to show use, but the lack of any evidence corroborating attempts to build the DG brand during this period diminishes the credibility of respondent's testimony that it began using the DG marks in 1993.

Finally, no credible explanation was given for why the earlier dates of first were not included in the applications for registration. Teresa Chen testified only that the significance of the dates of first use "was not really explained" to her. <sup>37</sup>

When we look at the evidence of respondent's priority as a whole, as we must under *West Florida Seafood*, we find it does not establish respondent's use of the DG marks prior to the date alleged in the applications by clear and convincing evidence. In particular, the testimony of the Chens is "characterized by contradictions, inconsistencies and indefiniteness" regarding the adoption and use of the marks. Respondent's president, James Chen, had little recollection of signing the application, much less any recollection about adopting the marks. Teresa Chen's testimony was significantly compromised by a lack of contemporary documentation showing use of the marks and was contradicted by respondent's catalogs. And Ward Chen's testimony was contradicted by respondent's own answers to petitioner's interrogatories which he prepared. Most importantly, the sales invoices

do not corroborate whether the identified sunglass models actually bore the DG marks during that time period. All in all, we find that respondent's testimony, rather than being strengthened by documentary evidence, is weakened by a lack of credible corroborating evidence showing any use of the DG marks during the period from 1993 to 1998. *B.R. Baker Co. v. Lebow Bros.*, 66 USPQ at 236; *Cerveceria Centroamericana v. Cerveceria India*, 892 F.2d 1021, 13 USPQ2d 1307, 1312 (Fed. Cir. 1989) (the testimony of the witness regarding use was afforded little weight because it was "to say the least, vague."). Based on the forgoing, we find that respondent has not shown use of the DG marks prior to the filing date of the applications underlying the registrations by clear and convincing evidence.

- \*12 Teresa Chen's testimony alone, however, is sufficient to show use of the marks as of the date alleged in the applications by a preponderance of the evidence. Teresa Chen testified regarding why she provided the December 1, 1999 dates of use identified in the applications:
- Q. [W]ere you the person that provided the date of first use of the DG marks for the applications that were filed in 2000 and 2001?

A. Yes.

Q. And did you base that date of first use on the date when Jay-Y first used hang tags in connection with its sunglasses that included the DG marks?

A. Yes. 38

Accordingly, we find that the earliest date of use of the DG marks on which respondent may rely is December 1, 1999.

# 2. Petitioner's Priority

We next examine priority for each of the marks claimed by petitioner.

## a. DOLCE & GABBANA, Registration No. 1742622

Petitioner is entitled to rely on the constructive use date of June 27, 1990 established by the section 44(d) priority filing date of the application underlying this registration. Inasmuch as the filing date underlying this registration predates the earliest use of the DG marks by respondent, petitioner has established its priority as to this mark.

# b. D&G DOLCE & GABBANA (stylized), Registration No. 2096500

Petitioner is entitled to rely on the constructive use date of November 7, 1995 established by the filing date of the application underlying this registration. Inasmuch as the filing date of the application underlying this registration predates the earliest use of the DG marks by respondent, petitioner also has established its priority as to this mark.

# c. D&G (stylized), Registration No. 3108433

The June 28, 2004 filing date of the application underlying this registration postdates the filing dates of respondent's applications. Petitioner, therefore, may not rely on the filing date of the application as proof of priority. For petitioner to show that it has priority, it must prove that it was using the D&G mark on the goods prior to the date of first use alleged in respondent's applications, December 1999.

Petitioner argues that the date of its first use of the D&G mark should be ""no later than September 1995" because it has "employed D&G both separately from and together with Dolce & Gabbana as marks for the D&G Dolce & Gabbana line." <sup>39</sup> Rather than assess this this allegation, we first consider the more directly relevant allegation regarding petitioner's use of D&G on eyewear. We will determine priority based on the eyewear goods in Registration No. 3108433 because these goods are the ones most closely related to respondent's goods, and because the application for these goods alleged a date of first use of 1998, which is prior to any date that respondent has proven. Moreover, petitioner's claim that it first used the D&G mark "no later than September 1995" must be interpreted as applying to articles of clothing generally, as opposed to eyewear in particular, inasmuch as petitioner stated that it first used the D&G mark on eyewear when it "launched its D&G eyewear collection in 1998." <sup>40</sup> Given the forgoing, petitioner must prove its priority as to first use of the mark as early as 1998 by a preponderance of the evidence. *Hydro-Dynamics*, 1 USPQ2d at 1773. Petitioner's testimony and documentary evidence establish that petitioner used D&G as a mark on sunglasses as early as 1998.

\*13 Petitioner has introduced the testimony of Paolo Vannucchi, the Director of Planning and Control Worldwide for Dolce & Gabbana. Vannucchi joined Dolce & Gabbana in March of 1999 and is responsible for "all budgeting processes." <sup>41</sup> Vannucchi authenticated petitioner's sales figures showing sales of D&G sunglasses beginning in 1998 and continuing through at least 2009. <sup>42</sup> Vannucchi also authenticated portions of petitioner's 2001 Annual Review which identified 1998 as the first year petitioner sold D&G sunglasses. Vannucchi's testimony sufficiently explained how he was familiar with the preparation of the Annual Review and the nature and source of the sales information contained in the review. *See Transamerica Financial Corp. v. Trans-American Collection*, 197 USPQ 43, 46 at n. 6 (TTAB 1977) ("Normally, material contained in an annual report is considered hearsay if introduced in evidence for the truth of the matter contained therein unless it is introduced during the course of the taking of the testimony of an individual who is familiar with the preparation thereof and can explain the nature and source of the material contained therein.").

We find this testimony to be credible, probative, and corroborated by documentary evidence. *B.R. Baker Co. v. Lebow Bros.*, 66 USPQ at 236. Petitioner is entitled to rely on its use of the D&G marks on sunglasses as early as 1998.

# d. Petitioner's Common-Law Use of DG

For a plaintiff to prevail on a claim of likelihood of confusion based on its ownership of common-law rights in a mark, the mark must be distinctive, inherently or otherwise, and plaintiff must show priority of use by a preponderance of the evidence. *See Otto Roth & Co. v. Universal Foods Corp.*, 640 F.2d 1317, 209 USPQ 40 (CCPA 1981). Respondent has not questioned the distinctiveness of petitioner's DG mark nor are there any other circumstances in the case which would have put petitioner on notice of this defense, and we therefore find that the mark is distinctive. *See Wet Seal Inc. v. FD Management Inc.*, 82 USPQ2d 1629, 1634 (TTAB 2007); *Cf. Otto Roth*, 209 USPQ at 44 ("Neither the board nor appellee has questioned the inherent distinctiveness of ESPRIT NOUVEAU, and we therefore assume it functions as a trademark.").

A plaintiff may establish its own prior proprietary rights in a mark through actual use or through use analogous to trademark use, such as use in advertising brochures, trade publications, catalogues, newspaper advertisements and internet websites which creates a public awareness of the designation as a trademark identifying the party as a source. *See* Trademark Act Sections 2(d) and 45, 15 U.S.C. §§ 1052(d) and 1127; *T.A.B. Systems*, 37 USPQ2d 1879.

\*14 In order to establish priority in its DG mark, petitioner must show that it used the mark in connection with its goods prior to respondent's date of first use of December 1, 1999. Petitioner presented both testimony and documentary evidence to support its alleged date of first use.

Gabriella Forte testified that the initials DG are generally used where the full name Dolce & Gabbana might not be appropriate, presumably due to size or style considerations:

The initials in Dolce & Gabbana are used, DG specifically, by the designers as a logo identity of their name. They are always interspersed in the designs. Sometimes we find it on a tie. Another time we found it in a belt. . . . It's used on the eyeglasses. . . . It's typical of instead of putting Dolce & Gabbana, Dolce & Gabbana, Dolce & Gabbana, it's the abbreviation that most designers, when they want to graphically make a quick impact, they use their initials of whatever the brand name is. 43

The letters DG began to appear in connection with respondent's clothing and fashion accessories at least as early as 1995. For example, the September 1995 issue of Interview magazine displayed a DG tiepin in a photograph accompanying the table of contents. <sup>44</sup> Gabriella Forte also testified regarding several advertising photographs from the 1995 season showing the DG mark on purses and belts. <sup>45</sup> Most significant, for purposes of this case, are petitioner's 1998 and 1999-2000 eyeglass catalogs which plainly show use of the letters DG on numerous styles of eyeglasses as well as forming part of the eyeglass model numbers. <sup>46</sup> Petitioner has shown use of the letters DG as a mark for eyeglasses and sunglasses at least as early as 1998.

#### Likelihood of Confusion

Our determination under Section 2(d) is based on an analysis of all of the probative facts in evidence relevant to the factors bearing on the likelihood of confusion issue. *In re E.I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563 (CCPA 1973). In considering the evidence of record on these factors, we keep in mind that "[t]he fundamental inquiry mandated by § 2(d) goes to the cumulative effect of differences in the essential characteristics of the goods and differences in the marks." *Federated Foods, Inc. v. Fort Howard Paper Co.*, 544 F.2d 1098, 192 USPQ 24 (CCPA 1976). Petitioner has the burden to establish that there is a likelihood of confusion by a preponderance of the evidence.

## 1. The fame of petitioner's Dolce & Gabbana marks

This *du Pont* factor requires us to consider the fame of petitioner's marks. Fame, if it exists, plays a dominant role in the likelihood of confusion analysis because famous marks enjoy a broad scope of protection or exclusivity of use. A famous mark has extensive public recognition and renown. *Bose Corp. v. QSC Audio Products Inc.*, 293 F.3d 1367, 63 USPQ2d 1303, 1305 (Fed. Cir. 2002); *Recot Inc. v. M.C. Becton*, 214 F.3d 1322, 54 USPQ2d 1894, 1897 (Fed. Cir. 2000); *Kenner Parker Toys, Inc. v. Rose Art Industries, Inc.*, 963 F.2d 350, 22 USPQ2d 1453, 1456 (Fed. Cir. 1992).

\*15 Fame may be measured indirectly by the volume of sales and advertising expenditures of the goods and services identified by the marks at issue, "by the length of time those indicia of commercial awareness have been evident," by widespread critical assessments and notice by independent sources of the products identified by the marks, as well as by the general reputation of the products and services. Bose Corp. v. QSC Audio Products Inc., 63 USPQ2d at 1305-1306 and 1309. Although raw numbers of product sales and advertising expenses may have sufficed in the past to prove fame of a mark, raw numbers alone may be misleading. Some context in which to place raw statistics may be necessary (e.g., the substantiality of the sales or advertising figures for comparable types of products or services). Bose Corp. v. QSC Audio Products Inc., 63 USPQ2d at 1309.

The record clearly establishes the widespread fame of petitioner's marks, Dolce & Gabbana, D&G Dolce & Gabbana, and D&G for clothing and fashion accessories, including sunglasses. Such fame is a critical *du Pont* factor in petitioner's favor in this case.

The Dolce & Gabbana brand entered the U.S. market in the late 1980's. Petitioner has submitted representative examples of full-page advertisements it placed in major fashion magazines beginning as early as October 1989. <sup>47</sup> Thereafter, petitioner's advertisements regularly appeared in some of the most widely-circulated magazines in the fashion industry, including, Vogue, Vanity Fair, Esquire, Harper's Bazaar, Details, GQ Gentleman's Quarterly, Interview, and W magazine. <sup>48</sup> These advertisements

often featured famous actresses and models such as Isabella Rossellini and Linda Evangelista. <sup>49</sup> Between 1989 and 1995, these magazine advertisements are estimated to have reached over 15 million readers, according the Audit Bureau of Circulation. <sup>50</sup> Petitioner's advertising expenses for both lines of clothing during this period, while confidential, are substantial by any measure and are comparable to advertising expenses of other well-known fashion brands such as Giorgio Armani and Prada. <sup>51</sup>

In addition to petitioner's advertisements which regularly appeared in the above magazines, petitioner's two lines of clothing were frequently featured and promoted in the pages of these magazines as well. Numerous pictorial fashion articles highlighted petitioner's clothing collections alongside the collections of other well-known designers such as Gianni Versace, Yves Saint Laurent, Chanel, and Prada. <sup>52</sup> These numerous articles and references to Dolce & Gabbana products demonstrate that consumers were widely exposed to petitioner's brands beginning as early as 1989 continuing to prior to respondent's first use of its marks in 1999. <sup>53</sup>

\*16 Petitioner's sales have grown steadily since introduction of the brand in the U.S., and show that Dolce & Gabbana has become a major force in the fashion world in a short period of time. Sales revenues in the United States from the main Dolce & Gabbana ready-to-wear line rose from 9 million Euros in 1996-1997 to more than 75 million Euros in 2008. Sales revenues in the United States from the secondary or "younger" D&G Dolce & Gabbana ready-to-wear line have enjoyed similar success, rising from 7 million Euros in 1997-1998 to more than 24 million Euros in 2005. Sales of petitioner's accessories, i.e., evewear, fragrances, watches, and jewelry, have enjoyed similar sales success.

Petitioner has also enjoyed significant success in placing its clothing in the consumer spotlight by dressing a number of well-known musical performers, such as Madonna and Whitney Houston, on their concert tours. Petitioner has provided dresses for actresses Demi Moore and Susan Sarandon, among others, at the Academy Awards Ceremonies. Many well-known Hollywood stars have been seen wearing Dolce & Gabbana: Angelina Jolie, Cameron Diaz, Colin Farrell, and Jude Law. <sup>57</sup> This use of petitioner's clothing by celebrities and the resulting media coverage show that petitioner has been able to benefit from the powerful association between its clothing brand and the trend-setting ability of these celebrities.

Based on the totality of the evidence, we find that, for purposes of likelihood of confusion, Dolce and Gabbana, D&G Dolce & Gabbana, and D&G are famous marks for clothing and fashion accessories and they became famous prior to respondent's first use of its marks in 1999.

# 2. The similarity or dissimilarity of the marks in their entireties as to appearance, sound, connotation and commercial impression

We turn next to the *du Pont* factor which focuses on the similarity or dissimilarity of the marks in their entireties as to appearance, sound, connotation and commercial impression. *Du Pont*, 177 USPQ at 567.

Similarity in any one of the elements of sound, appearance, commercial impression, or meaning is sufficient to support a determination of likelihood of confusion. *See Krim-Ko Corp. v. The Coca-Cola Co.*, 390 F.2d 728, 156 USPQ 523, 526 (CCPA 1968) ("It is sufficient if the similarity in either form, spelling or sound alone is likely to cause confusion."). In comparing the marks, we are mindful that where, as here, the goods are, in part, identical, the degree of similarity necessary to find likelihood of confusion need not be as great as where there is a recognizable disparity between the goods. *Century 21 Real Estate Corp. v. Century Life of America*, 970 F.2d 874, 23 USPQ2d 1698, 1700 (Fed. Cir. 1992).

\*17 Further, the test is not whether the marks can be distinguished when subjected to a side-by-side comparison, but rather whether the marks are sufficiently similar in terms of their overall commercial impression so that "confusion as to the source of the goods offered under the respective marks is likely to result." *Midwestern Pet Foods Inc. v. Societe des Produits Nestle S.A.*, 685 F.3d 1046, 103 USPQ2d 1435, 1440 (Fed. Cir. 2012). We will discuss each of petitioner's marks in turn.

#### a. DOLCE & GABBANA, Registration No. 1742622

We begin with petitioner's oldest pleaded mark, Dolce & Gabbana, in typed form. Respondent's marks are



and



in stylized form. Obviously, upon first impression, the marks have significant differences. Petitioner's mark is comprised of the surnames of its principal designers, Dolce and Gabbana, while respondent's marks are comprised of only the letters DG in stylized form. Nevertheless, the marks also have some similarities in connotation and commercial impression. The marks have similar alliteration in that they begin with the letter "D" followed by the letter "G" or a word beginning with the letter "G." Additionally, petitioner's mark appears in typed form and therefore may be used in any style or typeface such as those used by respondent. For example, much of petitioner's advertising uses the same sans-serif typeface as used by respondent in Registration No. 2582314 for the mark



. <sup>58</sup> Most importantly, the record shows that designers commonly use their initials as shorthand for their names.

Both respondent and petitioner have testified that well-known fashion designers use their initials in place of their names. Teresa Chen testified that when she was creating the DG marks she knew that Christian Dior used the ""logo CD" and that Calvin Klein used "CK." <sup>59</sup> Respondent also admitted that it "recognized that companies like Calvin Klein, Giorgio Armani, and Armani Exchange had had success in putting two letters together to create their respective logos." <sup>60</sup> Likewise, petitioner's witness, Gabriella Forte, stated that "when [designers] want to graphically make a quick impact, they use their initials of whatever the brand name is." <sup>61</sup> Forte also testified that both the name Calvin Klein and the initials "CK" were used on eyewear. <sup>62</sup> Petitioner has made of record several marks owned by Armani and used on articles of clothing which include the initials of the designer: Registration No. 1221737 for the mark, GA and design, and Registration No. 1578682 for the mark, EMPORIO ARMANI GA and design. Both marks include the initials GA, short for Giorgio Armani. <sup>63</sup>

\*18 This testimony and evidence, showing that designers commonly shorten their names to initials, suggests that consumers are accustomed to associating designers or fashion brands by the corresponding initials for those designers or brands. We find it likely that respondent's DG marks would be perceived as related to or as a shortened or version of petitioner's Dolce & Gabbana mark. See In re Mighty Leaf Tea, 601 F.3d 1342, 94 USPQ2d 1257, 1260 (Fed. Cir. 2010). This seems especially likely when the marks are applied to an object which may have limited space to display trademarks, such as a pair of sunglasses.

Respondent argues that there is no evidence to support the finding that initials were used by designers and fashion brands in connection with clothing lines at the time it adopted its marks. <sup>64</sup> We disagree. As discussed above, Teresa Chen admitted that at the time she was creating respondent's marks, she knew of at least two designers who used initials as shorthand for their names, Christian Dior and Calvin Klein. Respondent also argues that there is no evidence that two designers use initials to identify their clothes. This is a distinction without a difference. It is the brand that is being shortened, not just the designer's names. Respondent admitted as much in its response to petitioner's request for admission when it recognized that Armani Exchange, among others, had succeeded in "putting two letters together" [AX] to create its logo. <sup>65</sup> See In re Abcor Development Corp., 588 F.2d 511, 200 USPQ 215, 219 (CCPA 1978) (J. Rich, concurring) ("[U]sers of language have a universal habit of shortening full names -- from haste or laziness or just economy of words."); See also Louis Vuitton Malletier v. Dooney & Bourke Inc., 79 USPQ2d 1481 (2d Cir. 2006) (reversing district court finding that DB monogram used by Dooney & Bourke was not confusingly similar to LV monogram used by Louis Vuitton).

Accordingly, we find that the marks are similar in terms of their overall commercial impression so that confusion as to the source of the goods offered under the respective marks is likely to result. *Midwestern Pet Foods Inc.*, 103 USPQ2d at 1440.

## b. D&G DOLCE & GABBANA (stylized), Registration No. 2096500 and D&G (stylized), Registration No. 3108433

We first note that respondent's marks consist entirely of the letters DG, in two stylized forms. In one of respondent's marks,



, the letters appear in nearly the same typeface as in petitioner's mark,



, albeit with the letters slightly overlapped. <sup>66</sup> Both of petitioner's marks are dominated by the same letters, D and G, separated by a non-distinctive ampersand. The name DOLCE & GABBANA in Registration No. 2096500 appears in much smaller typeface and is less significant when comparing the marks in their entireties. Similarly, the presence of an ampersand in petitioner's marks and the different stylization of the letters in respondent's mark in Registration No. 2663337 are less significant compared to the presence of the identical letters, DG versus D&G, and does little to obviate the similarities between the marks in appearance and sound. Thus, we find that the dominant portion of all the marks is a combination of the letters D and G.

\*19 Moreover, all of the marks convey the same commercial impression of initials or abbreviations, which in fact they are. Teresa Chen testified that DG was chosen to stand for "designer glasses" <sup>67</sup> and D&G is the abbreviation for the last names of petitioner's designers, Domenico Dolce and Stefano Gabbana. "Initials, by their very nature, are abbreviations, a shortened version designed to be comprehended at a glance. If the number of letters is the same, and there is a significant overlap in the letters used, that is generally sufficient to sustain a claim of similarity." *Continental Connector Corp. v. Continental Specialties*, 492 F.Supp. 1088, 207 USPQ 60, 66 (D. Conn. 1979). Given that designers commonly shorten their names to initials for simplicity, we find that it is likely that respondent's DG marks would be perceived as related to or a shortened version of the

respondent's D&G Dolce & Gabbana mark. <sup>68</sup> See Mighty Leaf Tea, 94 USPQ2d at 1260. The different derivation of the marks is insufficient to distinguish the marks, especially in the absence of any advertising by respondent to inform consumers as to its intended significance of the letters DG. See In re General Electric Co., 180 USPQ 542, 544 (TTAB 1973).

Arbitrary letter combinations, such as we have here, generally have been found to be similar because it is difficult for consumers to distinguish between similar letter combinations. *Crystal Corp. v. Manhattan Chemical Mfg. Co.*, 75 F.2d 506, 25 USPQ 5, 6 (CCPA 1935) ("We think that it is well known that it is more difficult to remember a series of arbitrarily arranged letters than it is to remember figures, syllables, words, or phrases. The difficulty of remembering such lettered marks makes confusion between such marks, when similar, more likely."). *See also, Weiss Associates Inc. v. HRL Associates Inc.*, 902 F.2d 1546, 14 USPQ2d 1840, 1841 (Fed. Cir. 1990) ("Because it is hard to distinguish between these letters, the mark TMM is confusing with TMS"); *Edison Brothers Stores v. Brutting E.B. Sports-International*, 230 USPQ 530, 533 (TTAB 1986) (EB and EBS for shoes are likely to cause confusion because "confusion is more likely between arbitrarily arranged letters than between other types of marks").

We find that these marks are similar in terms of their overall appearance, sound, connotation, and commercial impression so that confusion as to the source of the goods offered under the respective marks is likely to result. *Du Pont*, 177 USPQ at 567.

# c. Petitioner's Common-Law Use of DG

\*20 Petitioner has demonstrated that it has used the letters DG on sunglasses since at least as early as 1998. <sup>69</sup> Inasmuch as respondent's marks also consist of the identical letters DG, we find petitioner's common-law DG mark and respondent's DG marks to be similar as to "appearance, sound, connotation and commercial impression." *DuPont*, 177 USPQ at 567.

In view of the foregoing, we find that the similarities of the parties' marks outweigh the differences, and therefore the similarity of the marks is a factor that favors finding that there is a likelihood of confusion.

# 3. The similarity or dissimilarity and nature of the goods in the registrations, likely-to-continue channels of trade, and classes of consumers

We turn next to the similarity of the goods. It is well settled that we must consider the goods as they are identified in the registrations. *Octocom Systems Inc. v. Houston Computers Services, Inc.*, 918 F.2d 937, 16 USPQ2d 1783, 1787 (Fed. Cir. 1990) ("The authority is legion that the question of registrability of [a] mark must be decided on the basis of the identification of goods set forth in the application [or registration] regardless of what the record may reveal as to the particular nature of [the] goods, the particular channels of trade or the class of purchasers to which sales of the goods are directed.").

Respondent's goods are identified as "sunglasses, optical frames, and reading glasses" in International Class 9. Petitioner's goods are identified as, *inter alia:* "eyeglasses," <sup>70</sup> "spectacles, sunglasses, spectacle frames, spectacle lenses, spectacle cases," <sup>71</sup> and a variety of "clothing for men, women and children." <sup>72</sup>

Respondent's and petitioner's goods are in part identical in that both parties' registrations identify "sunglasses"; respondent's "optical frames" and petitioner's "spectacle frames" are legally identical; and petitioner's broadly-identified "eyeglasses" can be seen to encompass all of respondent's goods, as well as respondent's "reading glasses."

Regarding petitioner's Registration No. 2096500 which identifies variety of "clothing for men, women and children," but not eyeglasses, we find these goods are closely related to respondent's goods as well. It is common knowledge that sunglasses and clothing may be complementary products in that consumers may purchase sunglasses as a fashion accessory. A number of clothing manufacturers make both clothing and sunglasses. Isabella Forte testified that she worked for two clothing manufacturers besides Dolce & Gabbana that also made and sold sunglasses, i.e., Giorgio Armani and Calvin Klein. <sup>73</sup> See

Catalina, Inc. v. Miller, dba Fashion Accessories, 123 USPQ 460, 461 (TTAB 1959) ("[P]urchasers familiar with 'CATALINA' sportswear, swimwear, and accessories would be quite likely to assume that 'CATALINA' sunglasses originated with or are in some way connected with the same producer.").

\*21 To the extent that the parties' goods are identical, we must presume that they move through the same channels of trade and are offered to the same classes of customers. See In re Viterra Inc., 671 F.3d 1358, 101 USPQ2d 1905, 1908 (Fed. Cir. 2012); American Lebanese Syrian Associated Charities Inc. v. Child Health Research Institute, 101 USPQ2d 1022, 1028 (TTAB 2011); In re Smith and Mehaffey, 31 USPQ2d 1531, 1532 (TTAB 1994). Accordingly, the three du Pont factors relating to the similarity or dissimilarity of the goods, the trade channels, and classes of consumers favor a finding of likelihood of confusion.

## 4. The variety of goods on which a mark is used

The record shows that petitioner uses the D&G marks on a wide variety of clothing, as well as clothing accessories, such as perfumes, purses and handbags, jewelry, watches and, of course, sunglasses and eyeglasses. The fact that petitioner applies its D&G marks to a variety of clothing articles and accessories makes it more likely that purchasers, aware of petitioner's use of the mark on these products, when seeing a similar mark used in connection with sunglasses, are likely to believe that these sunglasses are also being produced or sponsored by petitioner. *See Nike Inc. v. WNBA Enterprises LLC*, 85 USPQ2d 1187, 1195 (TTAB 2007). In contrast, respondent uses its mark only on sunglasses and reading glasses.

Based on this evidence, we find that this *du Pont* factor weighs in petitioner's favor.

## 5. The nature and extent of any actual confusion

Respondent has admitted that there has been some actual confusion as to the source of its goods. Respondent stated in its Responses to Petitioner's First Set of Interrogatories: <sup>74</sup>

## **INTERROGATORY NO. 26:**

- (a) Is Respondent aware of any instance of confusion or mistake regarding it and Petitioner, their respective goods, services, or businesses, and/or Respondent's Mark(s) and Petitioner's Mark(s)?
- (b) Has Respondent received any communication addressed or directed to, or which mentions, refers or relates in any way to, Petitioner, Petitioner's Mark(s), and/or Petitioner's products/services?
- (c) Is Respondent aware of any instance where any person thought, assumed or otherwise indicated a belief that there is or may be an association between Respondent and Petitioner, Respondent's Mark(s) and Petitioner's Mark(s), and/or the respective products or services or businesses of Respondent and Petitioner?

#### **RESPONSE TO INTERROGATORY NO. 26:**

(a)-(c) Yes.

## **INTERROGATORY NO. 27:**

(d) If the answer to Interrogatory No 26(a), above, is other than an unqualified negative, identify each instance of confusion or mistake.

\*22 (e) If the answer to Interrogatory No 26(b), above, is other than an unqualified negative, identify each such communication to which the interrogatory refers.

(f) If the answer to Interrogatory No 26(c), above, is other than an unqualified negative, identify each such instance where any person thought, assumed or otherwise indicated a belief that there is or may be an association between Respondent and Petitioner and/or their respective products, services or business.

## **RESPONSE TO INTERROGATORY NO. 27:**

(a)-(c)... Sometime between 2005 and 2006, when Petitioner began using as its logo the letters "DG" in an interlocking manner similar to Respondent's Marks, Respondent's customers began asking Respondent whether Respondent's products sold under Respondent's marks were Petitioner's. Because Respondent did not keep logs or records of these incidents, Respondent does not have more specific information to provide in response to this interrogatory.

Ward Chen further admitted that he was aware of instances where Respondent's glasses were referred to as "knockoffs": Q. "Are you aware of any instances of anybody referring to glasses sold by Jay-Y that feature the DG letters as knockoffs?"

A. "Yes."

\* \* \*

Q. "[H]ow many times? Do you know?"

A. "A couple of times to my recollection." 75

A showing of actual confusion is highly probative, if not conclusive, of a likelihood of confusion. *In re Majestic Distilling Co., Inc.*, 315 F.3d 1311, 65 USPQ2d 1201, 1205 (Fed. Cir. 2003). These instances of confusion as revealed by respondent suggest there is at least some confusion in the marketplace as to the source of the goods. Nevertheless, inasmuch as petitioner has not put forth any evidence of confusion of its own, and given that the exact nature of the confusion admitted by respondent is unclear, we find this factor only slightly favors petitioner.

# 6. Respondent's "bad faith"

Petitioner also alleges that respondent's "business practices demonstrate bad faith and are probative of the substantial possibility of actual confusion." Petitioner points to respondent's practice of filing trademark applications for marks which allegedly resemble the marks of other fashion brands, such as Giorgio Armani and Gucci. Respondent, on the other hand, argues that these applications are inadmissible and irrelevant to the issue of bad faith.

Establishing bad faith requires a showing, by a preponderance of the evidence, that a party intentionally sought to trade on the goodwill or reputation associated with another's marks. *See Big Blue Products Inc. v. International Business Machines Corp.*, 19 USPQ2d 1072 (TTAB 1991). However, "an inference of 'bad faith' requires something more than mere knowledge of a prior similar mark." *Sweats Fashions, Inc. v. Pannill Knitting Co.*, 833 F.2d 1560, 4 USPQ2d 1793, 1798 (Fed. Cir. 1987). A finding of bad faith must be supported by evidence of an intent to confuse, rather than mere knowledge of another's mark or even an intent to copy. *See Starbucks Corp. v. Wolfe's Borough Coffee, Inc.*, 588 F.3d 97, 92 USPQ2d 1769, 1782 (2d Cir. 2009) ("[T]he only relevant intent to confuse. There is a considerable difference between an intent to copy and an intent to deceive.").

\*23 The filing of an application for a mark that may resemble the mark of another is not, on its face, evidence of bad faith. Nevertheless, "a party which knowingly adopts a mark similar to one used by another for related goods should not be surprised to find scrutiny of the filer's motive." L'Oreal S.A. v. Marcon, 102 USPQ2d 1434, 1442 (TTAB 2012). More likely, respondent's filing of applications for marks resembling those of another reflect a fundamental misunderstanding of trademark law--that a newcomer has a duty to avoid adopting a mark which is likely to cause confusion with the mark of another. As the Federal Circuit's has explained:

The law has clearly been well settled for a longer time than this court has been dealing with the problem to the effect that the field from which trademarks can be selected is unlimited, that there is therefore no excuse for even approaching the well-known trademark of a competitor, that to do so raises "but one inference--that of gaining advantage from the wide reputation established by appellant in the goods bearing its mark," and that all doubt as to whether confusion, mistake, or deception is likely is to be resolved against the newcomer, especially where the established mark is one which is famous and applied to an inexpensive product bought by all kinds of people without much care.

Specialty Brands, Inc. v. Coffee Bean Distributors, Inc., 748 F.2d 669, 223 USPQ 1281, 1285, (Fed. Cir. 1984) quoting Planters Nut & Chocolate Co. v. Crown Nut Co., Inc., 305 F.2d 916, 134 USPQ 504, 511 (CCPA 1962).

While we have concerns about the propriety of respondent's business practices, based on this record, we cannot conclude that respondent acted in bad faith. This factor is neutral.

## Conclusion

After considering all of the evidence of record and argument pertaining to the *du Pont* likelihood of confusion factors, including ones not specifically discussed herein, we find that because petitioner's marks are famous, the marks are similar, the goods are in part identical and otherwise related, and the channels of trade and consumers are presumed to overlap, there is a likelihood of confusion between respondent's marks and the petitioner's marks when used in connection with the identified goods. Lastly, to the extent that any of the points argued by respondent may raise a doubt about our finding of a likelihood of confusion, we would resolve that doubt, as we must, in favor of petitioner as the prior user. *See Giant Food, Inc. v. Nation's Foodservice, Inc.*, 710 F.2d 1565, 1569, 218 USPQ 390, 395 (Fed. Cir. 1983); and *Century 21 Real Estate Corp.*, 23 USPQ2d at 1701.

\*24 In light of our finding on the issue of likelihood of confusion, we find it unnecessary to reach the issue of dilution. *See Miss Universe L.P. v. Community Marketing. Inc.*, 82 USPQ2d 1562, 1572 (TTAB 2007).

**Decision:** Petitioner's petition for cancellation is granted. Respondent's counterclaim to cancel petitioner's registration is denied. Registration Nos. 2582314 and 2663337 will be cancelled in due course.

#### Footnotes

- Registration No. 2582314, filed September 19, 2000 under Section 1(a) and issued June 18, 2002.
- 2 Registration No. 2663337, filed November 4, 2001 under Section 1(a) and issued December 17, 2002.
- Registration No. 1742622, issued December 29, 1992.
- 4 Registration No. 2096500, issued September 16, 1997.
- 5 Registration No. 3108433, issued June 27, 2006.
- Respondent also counterclaimed for cancellation of petitioner's marks based on fraud but these claims were stricken as improperly pleaded by order of the board on April 15, 2010.
- 7 Respondent's Motion to Strike, p. 3.
- 8 Paolo Vannucchi testimony, pp. 35-37.
- 9 Respondent's Motion to Strike, p. 6.
- Gabriella Forte testimony, pp. 9-13.
- Respondent objects to the testimony of Roberto Lupano on the grounds that it is improper rebuttal in that it was taken on May 6, 2011, during petitioner's rebuttal testimony period. Respondent's Motion to Strike, p. 2. The actual date of the Lupano testimony is unclear. Both parties refer to the deposition as being taken on May 6, 2011; however, according to the notary public who certified the testimony, it was taken a year earlier on May 6, 2010, not 2011. Lupano testimony, pp. 1 & 198. Nevertheless, inasmuch as we have not relied on the Lupano testimony, respondent's objection is moot.
- 12 Respondent's Br. at 38.
- Respondent's Responses to Petitioner's First Set of Interrogatories, Response to Interrogatory No. 16, p. 11.
- 14 Michael Ou testimony, p. 11.
- 15 James Chen testimony, p. 15.
- James Chen testimony, pp. 29-38.
- 17 Teresa Chen testimony, p. 21.
- 18 Teresa Chen testimony, p. 48
- Teresa Chen testimony, p. 22.
- Teresa Chen testimony, pp. 23, 25-26.
- 21 Teresa Chen testimony, pp. 27-28.
- Teresa Chen testimony, p. 30.
- Teresa Chen testimony, pp. 74-75.
- Ward Chen testimony, p. 6.
- Ward Chen testimony, pp. 20-26.
- Teresa Chen testimony, pp. 75-76.
- 27 Teresa Chen testimony, p. 30.
- Teresa Chen testimony, p. 30.
- 29 Respondent's Exhs. 100-130, 132 &135 to Teresa Chen testimony.
- Teresa Chen testimony, p. 249.
- 31 Teresa Chen testimony, p. 249.
- Ward Chen testimony, pp. 40-41.
- Ward Chen declared that he was "the individual primarily responsible for providing information relating to . . . Jay-Y's initial responses to Gado's interrogatories. . . ." Declaration of Ward Chen dated August 25, 2009, p. 15.
- Respondent's Responses to Petitioner's First Set of Interrogatories, Response to Interrogatory Nos. 10 & 12, pp. 8-10.
- 35 Teresa Chen testimony, p. 31.
- It appears that respondent's sunglasses bearing the DG marks now use the letters DG as part of the model numbers. Ward Chen testimony, pp. 21-27. There is no testimony or evidence explaining when or why this practice changed.
- 37 Teresa Chen testimony, p. 39.
- 38 Teresa Chen testimony, p. 39

- 39 Petitioner's Br. at 15-16.
- 40 Petitioner's Br. at 16.
- 41 Vannucchi testimony, p. 8.
- 42 Vannucchi testimony, pp. 83-86, Exh. C.
- Forte testimony, pp. 24-25
- Forte testimony, p. 138, Exh. 17. Respondent has objected to exhibit 17 as hearsay. Respondent's Objections to Evidence in Petitioner's Reply Brief, p. 7. We overrule this objection inasmuch as this exhibit shows on its face the use of the letters DG credited to petitioner in a widely circulated fashion magazine as early as 1995.
- 45 Forte testimony, pp. 159-165, Exh. 22.
- 46 Forte testimony, pp. 138-141, Exhs. 20 & 21.
- October 1989 issue of Details magazine. Petitioner's Notice of Reliance, Exh. 23.
- 48 Petitioner's Notice of Reliance, Exhs. 23-48.
- 49 Petitioner's Notice of Reliance, Exhs. 23 & 25.
- Moran testimony, pp. 4-72.
- Vannucchi testimony, p. 105, Exh. E; Gabriella Forte testimony, pp. 122-123.
- 52 Petitioner's Notice of Reliance, Exhs. 23-48.
- Petitioner's Notice of Reliance, Exhs. 49-76.
- Petitioner's Public Br. at 6; Vannucchi testimony, Exh. C.
- Petitioner's Public Br. at 7; Vannucchi testimony, Exh. C.
- Vannucchi testimony, Exh. C.
- Gabriella Forte testimony, pp. 108 & 169.
- Petitioner's Notice of Reliance, Exhs. 23-27, 29-30, 32-33.
- Teresa Chen testimony, pp.27-28.
- 60 Respondent's Response to Interrogatory No. 23, Petitioner's Exhibit 77 to Notice of Reliance, p. 15.
- Gabriella Forte testimony, p. 25.
- Gabriella Forte testimony, p. 58.
- Petitioner's Notice of Reliance, Exhs. 15 and 16
- Respondent Br. at 20.
- Respondent's Response to Interrogatory No. 23, Petitioner's Exhibit 77 to Notice of Reliance, p. 15.
- 66 Registration No. 2582314
- Teresa Chen testimony, p. 29.
- Teresa Chen testimony, pp.27-28; *see also* Respondent's Response to Interrogatory No. 23, Petitioner's Exhibit 77 to Notice of Reliance, p. 15; Gabriella Forte testimony, p. 25.
- 69 See supra pp. 24-26.
- Registration No. 1742622.
- 71 Registration No. 3108433.
- Registration No. 2096500.
- Gabriella Forte testimony, pp. 57-58.
- Respondent's Responses to Petitioner's First Set of Interrogatories, Response to Interrogatory Nos. 26 & 27, pp. 16-17.
- Ward Chen testimony, p. 35.
- 76 Petitioner's Br. at 31.
- 77 Petitioner's Br. at 32-33.
- 78 Respondent's Br. at 32.

2013 WL 5498172 (Trademark Tr. & App. Bd.)

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## 2004 WL 2368469 (Trademark Tr. & App. Bd.)

#### THIS DISPOSITION IS NOT CITABLE AS PRECEDENT OF THE TTAB

Trademark Trial and Appeal Board

Patent and Trademark Office (P.T.O.)

H-D MICHIGAN, INC.

v

BOUTIQUE UNISEXE EL BARAKA, INC. AND 3222381 CANADA, INC., JOINED AS A PARTY DEFENDANT

Opposition No. 91108265 and Cancellation Nos. 92027073 and 92029665 September 30, 2004 Hearing: May 18, 2004

\*1 Kristin L. Murphy and Michael A. Lisi of Rader, Fishman & Grauer PLLC and Linda K. McLeod and David M. Kelly of Finnegan, Henderson, Farabow, Garrett & Dunner, L.L.P. for H-D Michigan, Inc.

Janet F. Satterthwaite of Venable, LLP for Boutique Unisexe El Baraka, Inc. and 3222381 Canada, Inc.

Before Simms, Hairston and Walters Administrative Trademark Judges Opinion by Hairston Administrative Trademark Judge:

The above captioned opposition and cancellation proceedings were consolidated by order of the Board dated July 26, 2000. H-D Michigan, Inc. is the opposer and the petitioner in the respective cases, and in this decision will be referred to as plaintiff. Boutique Unisexe El Baraka, Inc. (a Canadian corporation) is the applicant and respondent in the respective proceedings, and will be referred to as Boutique. 3222381 Canada Inc. (also a Canadian corporation) has been joined as party defendant in the cancellations by virtue of an assignment from Boutique of the involved registrations, and it will be referred to as 3222381. Because the opposition and cancellations involve the same parties and common questions of law and fact, we shall decide the three cases in this single opinion.

In the application involved in the opposition, Boutique seeks registration on the Principal Register of the mark SCREAMING EAGLE (in typed form) for the following goods: "jewelry, namely pendant[s]; ear-rings, bracelets, rings, brooches" in class 14; "posters" in class 16; "wallets, handbags, satchel[s], cyclist bags, key cases" in class 18; "beer mugs" in class 21; and "clothing for men, women and children, namely undershirts, shorts, swimsuits, dresses, skirts, pajamas, caps, scarfs (sic), head-bands; crest; leather clothing, namely skirts, coats, caps[;] eye-shades; [and] jeans" in class 25. <sup>1</sup>

The registrations of Boutique involved in the cancellations are of the marks SCREAMING EAGLE for "coffee mugs" in class 21 and "clothing for men, women and children, namely T-shirts, belts, sweat-shirts, pants; [and] leather clothing, namely jackets in class 25" and SCREAMIN' EAGLE for "wallets, handbags, satchels, cyclist bags, key cases, purses" in class 18; "clothing for men, women and children, namely belts, sweatshirts, pants, jeans, camisoles, shorts, bathing suits, dresses, skirts, pajamas, caps, hats, visors, scarves, head-bands, wristbands; leather clothing, namely skirts, jackets, coats, pants, gloves and boots" in class 25; and "belt buckles not of precious metal; brooches not of precious metal" in class 26.

\*2 Plaintiff filed an amended notice of opposition to Boutique's application and an amended petition to cancel each of Boutique's registrations, asserting in all three cases a Section 2(d) claim of priority and likelihood confusion; and a claim that Boutique committed fraud in the filing of its pending application and the applications that matured into the involved registrations. Additionally, in the cancellations, plaintiff asserted a claim of abandonment.

Specifically, plaintiff alleged that it is a subsidiary/licensee of Harley-Davidson Motor Company (hereinafter Harley-Davidson); that Harley-Davidson first used the mark SCREAMIN' EAGLE on or in connection with motorcycle parts and accessories at least as early as 1983, jewelry products and belt buckles at least as early as 1985, and decals, lighters, and clothing at least as early as 1987; that each of Boutique's marks, as applied to the goods identified in Boutique's application and registrations, so resembles plaintiff's mark SCREAMIN' EAGLE as to be likely to cause confusion, to cause mistake or to deceive. Plaintiff pleaded ownership of Registration No. 1,345,492 for the mark SCREAMIN' EAGLE for various motorcycle parts and accessories. 4

Further, plaintiff alleged that Boutique "has been aware of Harley-Davidson's use of the mark SCREAMIN' EAGLE since at least 1992 or early 1993"; and Boutique's "execution [of each of its applications] was an act of fraud." Additionally, in the cancellations, plaintiff alleged that Boutique has not used the marks that are the subject of the involved registrations and thus Boutique has abandoned the marks.

Boutique answered the amended notice of opposition and each amended petition for cancellation by admitting that it knew of Harley-Davidson in 1992 or 1993 but otherwise denying the salient allegations therein.

Before turning to the record and merits of the case, we must discuss a preliminary matter. As previously noted, Boutique's Registration No. 1,866,489 (the subject of Cancellation No. 92027073) was cancelled June 18, 2003 under the provisions of Section 8 of the Trademark Act. In accordance with Trademark Rule 2.134, the Board allowed Boutique time to show cause why judgment should not be entered against it. Boutique responded, stating it did not permit its registration to be cancelled, but rather the Patent and Trademark Office rejected its declaration of excusable nonuse. Boutique stated that it was considering an appeal and requested that judgment not be entered against it. Plaintiff filed a paper "opposing" Boutique's response wherein it argued that Boutique had failed to show cause why judgment should not be entered against it. Plaintiff requested that the Board enter judgment against Boutique on the abandonment claim and proceed to trial on the likelihood of confusion and fraud claims. The Board found Boutique's showing to be sufficient to set aside the show cause order and proceedings were thereafter resumed. Boutique, at page 22, n. 95, of its brief on the case contends that the issues in Cancellation No. 92027073 are moot as the result of the cancellation of Registration No. 1,886,489 under Section 8. In particular, Boutique states that "the Board should not, and need not, decide whether there is a likelihood of confusion, or fraud on the Trademark Office, with respect to the goods set forth in Reg. No. 1,886,489. Therefore, the Board must enter judgment in [Cancellation No. 92027073] on the sole ground of non-use under Section 8." (emphasis in original).

\*3 Inasmuch as the Board set aside the show cause order and resumed proceedings in the cancellation, Boutique's contention is not well taken. Moreover, we note that plaintiff, in its brief on the case, renewed its request that the Board decide its likelihood of confusion and fraud claims pointing out that Boutique's assignee, 3222381, has filed two additional applications to register the marks SCREAMING EAGLE and SCREAMIN' EAGLE for various goods, some of which are identical to those in the involved application and registrations.

Under the circumstances, the petition to cancel Registration No. 1,886,489 on the ground of nonuse is granted to the extent that judgment is hereby entered against Boutique on this ground. The Board will decide the petition to cancel the registration with respect to the issues of likelihood of confusion and fraud.

The record consists of the pleadings, and the files of the involved application and registrations. Plaintiff submitted the testimony depositions (with exhibits) of the following individuals: John Troll, former vice-president and trademark counsel for plaintiff H-D Michigan, Inc.; Thomas Bolfert, Director of Corporate Archives for Harley-Davidson Motor Company; Douglas Decent, marketing director of Fred Deeley Imports of Canada; Jamal Berrada, president of Boutique and 3222381; Anne Paluso; marketing manager for parts and accessories at Harley-Davidson Motor Company; and John Henslee, trademark manager for Harley Davidson Motor Company. During the testimony deposition of its witness Mr. Troll, plaintiff introduced a certified copy of its pleaded Registration No. 1,345,492 for the mark SCREAMIN' EAGLE for motorcycle parts and accessories. <sup>5</sup> In addition, plaintiff submitted by notice of reliance the following materials: copies of 3222381's applications Serial Nos. 76266302 and

76266303 for the marks SCREAMIN' EAGLE and SCREAMING EAGLE respectively for clothing and accessories; Boutique's answers to plaintiff's interrogatories; Boutiques responses to plaintiff's requests for admission; the discovery depositions (with exhibits) of Mr. Berrada; Rebecca Stratman, president of Global Products; Tammy Stratman, president of RK Stratman; and David Woodruff, vice-president of sales and marketing for Sport Service.

Boutique's evidence consists of the testimony depositions (with exhibits) of Mr. Berrada and Ruth Dillon, a paralegal at the office of Boutique's counsel; and a notice of reliance on copies of ten third-party registrations for marks containing SCREAMING/SCREAMIN and EAGLE. These consolidated cases have been fully briefed and an oral hearing was held before the Board.

## **Priority**

As noted, plaintiff made a certified copy of its pleaded registration of record for the mark SCREAMIN' EAGLE for motorcycle parts and accessories. Thus, for the purpose of the opposition proceeding, priority is not an issue with respect to the goods identified in this registration. See King Candy Co., Inc. v. Eunice King's Kitchen, Inc. 496 F.2d 1400, 182 USPQ 108 (CCPA 1974). Moreover, priority lies in favor of plaintiff in the cancellation proceedings with respect to motorcycle parts and accessories. The certified copy of plaintiff's registration for such goods shows that the filing date of the application which matured into this registration is earlier than the filing dates of the applications which matured into Boutique's involved registrations. See, e.g., Hilson Research Inc. v. Society for Human Resource Management, 27 USPQ2d 1423, 1428-29 (TTAB 1993) at n. 13. Further, plaintiff has proven, and Boutique does not dispute that Harley-Davidson first used the SCREAMIN' EAGLE mark in commerce on motorcycle parts and accessories in 1983. Such use also predates the filing dates of the applications which matured into Boutique's involved registrations.

\*4 The issue therefore is whether in the opposition and cancellation proceedings plaintiff has priority of SCREAMIN' EAGLE for collateral goods, namely, jewelry, belt buckles, emblems/patches, lighters, caps and T-shirts.

Plaintiff maintains that Harley-Davidson expanded use of the SCREAMIN' EAGLE mark to collateral products, namely belt buckles and pins in 1985, and baseball caps, lighters, T-shirts and emblems/patches in 1987; and that Harley-Davidson's use of the SCREAMIN' EAGLE mark on these collateral products "continued throughout the 1980's, 1990's and today." Brief, p. 9.

Boutique, on the other hand, argues that Harley-Davidson has not established use of SCREAMIN' EAGLE in a trademark manner on these collateral goods prior to the filing dates of Boutique's pending application and the applications which matured into the involved registrations. Boutique contends that Harley-Davidson has not used SCREAMIN' EAGLE per se on its collateral goods, but rather the composite logos HARLEY-DAVIDSON SCREAMIN' EAGLE PERFORMANCE PARTS and eagle design as shown below;





and that Harley-Davidson has not furnished documentary evidence of sales of collateral goods bearing SCREAMIN' EAGLE per se. Further, Boutique argues that to the extent that plaintiff/Harley-Davidson had any trademark rights in the composite logos or SCREAMIN' EAGLE per se, such rights were abandoned as a result of Harley-Davidson's failure to use the logos between 1994 and 1997. Boutique also argues that Harley-Davidson's use of the composite logos on collateral products is ornamental and does not serve to create any trademark rights in the composite logos or SCREAMIN' EAGLE per se, and that "[e]ven if [each of the composite] logo[s] does have trademark significance to at least some consumers, it functions at best only as a secondary indicator of source." Brief, p. 21. According to Boutique, because the collateral goods are in the nature of promotional items for Harley-Davidson's motorcycle parts and accessories, use of the composite logos on collateral goods does not permit plaintiff to block registration of another allegedly similar mark.

Plaintiff H-D Michigan, Inc. is an intellectual property company that owns and manages the trademarks used by Harley-Davidson. Troll test. dep. p. 11. Harley-Davidson has sold Harley-Davidson brand motorcycles and motorcycle parts and accessories for over 100 years. For many decades, Harley-Davidson has sold, under the Harley-Davidson brand, collateral goods such as clothing, belts, helmets, footwear, sunglasses, collectible items, watches, lighters, key chains, coffee mugs and jewelry. Troll test. dep. pp. 13 and 81-82. Mr. Troll [test. dep. p. 19] explained that there are two ways in which Harley-Davidson arranges for the sale of its Harley-Davidson brand collateral goods:

There is a group within the company that, who is - that is devoted to developing products for sale in the dealership, and there is a kind of parallel organization with some overlap that develops products for sale either also at the dealership or outside the dealer network in mass market retail channels, other than motorcycle dealerships. That—that's the licensing group. The merchandising group is more devoted to intern—to Harley-Davidson motorcycle shops. The licensing group, although many of our licensees also sell to our dealerships, many of our licensees sell to the mass market.

\*5 Harley-Davidson sells its Harley-Davidson brand collateral goods through an e-commerce Internet website, in Harley-Davidson dealerships, at retailers such as Wal-Mart, Bloomingdale's, Hallmark, through Franklin Mint and specialty merchants such as Sport Service, the licensing agent of the National Hot Rod Association. Troll test. dep. p. 51.

Harley-Davidson advertises its Harley-Davidson brand motorcycles, parts and accessories, and collateral goods on television, in magazines and in its own catalogs. Paluso test. dep. p. 8; Bolfert test. dep. pp. 4-5 and 9. Harley-Davidson distributes the catalogs that feature its motorcycles, parts and accessories, and collateral goods to Harley-Davidson dealerships and to motorcycle riders. Bolfert test. dep. p. 7; Paluso test. dep. p. 5.

In 1983, Harley-Davidson introduced a line of performance-enhancing motorcycle parts and accessories under the mark SCREAMIN' EAGLE. The mark was used on the motorcycle parts and accessories themselves and it appeared in

product catalogs. Bolfert, test. dep. p. 30. In 1985 collateral goods bearing HARLEY-DAVIDSON SCREAMIN' EAGLE PERFORMANCE PARTS and eagle design appeared in the Harley-Davidson <u>Fashion and Accessories</u> catalog. Exhibit 28 to the Troll test. dep. Included in this catalog are belt buckles and pins with HARLEY-DAVIDSON SCREAMIN' EAGLE PERFORMANCE PARTS and eagle design as shown below.



The catalog page featuring the belt buckles is reproduced below. The belt buckles are items "K" and "L."



The items are identified in the catalog as "Screamin' Eagle" pins and belt buckles. Pins and emblems appeared in the 1986 Harley-Davidson <u>Fashion & Accessories</u> catalog. Exhibit 10 to the Troll test. dep. Further, plaintiff introduced a copy of the Fall/Winter 1987-88 Harley-Davidson <u>Fashion & Collectibles</u> catalog in which an infant T-shirt, a baseball cap, a lighter, an emblem, and a knit cap appear. Each of the items bears HARLEY-DAVIDSON SCREAMIN' EAGLE PERFORMANCE PARTS and eagle design. Exhibit 12 to the Troll test. dep. These items are identified as "Screamin' Eagle" personal products.

From at least 1987 Harley Davidson promoted its collateral products bearing HARLEY-DAVIDSON SCREAMIN' EAGLE PERFORMANCE PARTS and eagle design through catalogs that were direct mailed to Harley-Davidson owners and sold the products at its Harley-Davidson dealerships. Bolfert test. dep. p. 7. From the mid-1980's through the 1990's these types of catalogs were distributed annually to over 400,000 households. Bolfert test. dep. p. 14. In this regard, plaintiff also introduced copies of Harley-Davidson catalogs for the years 1989, 1992, 1993, 1998, 1999, and 2000. Exhibit 4 to the Troll dep., Exhibit 9 to the T. Stratman disc. dep., Exhibits 20 and 42 to the Troll test. dep., Exhibit 10 to the R. Stratman disc. dep., and Exhibit 20 to the Troll test. dep. Among the items appearing in these catalogs are infant T-shirts, sweatshirts, jackets, mugs, shot glasses, can coolers, baseball caps, lighters and emblems bearing HARLEY-DAVIDSON SCREAMIN' EAGLE PERFORMANCE PARTS and eagle design.

\*6 Tammy Stratman, president of Harley-Davidson's licensee R. K. Stratman, Inc., testified that her company began manufacturing "Screamin' Eagle brand [products] in 1987." T. Stratman disc. dep. p. 61. Her company primarily manufactures T-shirts bearing HARLEY-DAVIDSON SCREAMIN' EAGLE PERFORMANCE PARTS and eagle design which are shipped directly to Harley-Davidson dealers. T. Stratman disc. dep. p. 61. In 1987 R. K. Stratman, Inc. sold approximately \$15 million

dollars in Harley-Davidson products to dealers of which 8% was "Screamin' Eagle brand" merchandise. T. Stratman disc. dep. pp. 107-108. Sales of "Screamin' Eagle brand" merchandise has increased each year since 1987. T. Stratman disc. dep. pp. 105-106.

Global Products, another Harley-Davidson licensee, has manufactured mugs, shot glasses, ash trays, baseball caps, decals, t-shirts, polo shirts, sweatshirts and racing jackets bearing HARLEY-DAVIDSON SCREAMIN' EAGLE PERFORMANCE PARTS and eagle design since at least 1995. R. Stratman disc. dep. pp. 31-37. Global Products also sells its products to Harley-Davidson dealers. Although the precise sales figures were submitted under seal, the record shows that since 1997 Global Products' sales of "Screamin' Eagle brand" merchandise has totaled tens of thousand of dollars. Exhibit 16 to R. Stratman disc. dep.

Sport Service is another Harley-Davidson licensee and it began selling "Screamin' Eagle brand" products in early 1999 to Harley-Davidson dealers and to individuals at National Hot Rod Association racing events. Woodruff test. dep. p. 18-19 and 22. Among the products manufactured by Sport Service are T-shirts, jackets, baseball caps, tank tops, long sleeve shirts and sweatshirts bearing HARLEY-DAVIDSON SCREAMIN' EAGLE PERFORMANCE PARTS and eagle design. Sport Service has sold approximately a half million dollars of "Screamin' Eagle brand" merchandise. Woodruff test, dep. pp. 18 and 35.

Applicant, Boutique, is a Canadian corporation which began doing business in Canada in the late 1970's. Berrada disc. dep. p. 86. Boutique is a wholesale company that deals in textiles, clothing, and leather accessories. Berrada disc. dep. p. 10. Boutique adopted the SCREAMING EAGLE name in Canada for retail services and clothing in 1985-86. Berrada test. dep. p. 125. Boutique has no retail stores in the United States that sell its products. It has not advertised in the United States and it does not promote its products over the Internet. Berrada disc. dep. p. 13. Its plans are to enter the U.S. market by having retail outlets sell its products. Berrada disc. dep. pp. 18-19. It has not pursued those plans because of these proceedings. Berrada disc. dep. p. 104. Boutique's president, Mr. Berrada testified that he first learned of Harley-Davidson's use of SCREAMIN' EAGLE in 1990, 1992, or 1993 from Douglas Decent, marketing director of Fred Deely Imports, a Canadian distributor of Harley-Davidson products. Berrada disc. dep. pp. 60 and 66. Mr. Berrada was unable to recall if as of August 20, 1992, the filing date of Boutique's first application, he knew of Harley-Davidson's use of SCREAMIN' EAGLE. However, as of the filing dates of the subsequent applications (September 16, 1994 and April 18, 1995) he stated that he knew of Harley-Davidson's use of SCREAMIN' EAGLE, but only in connection with motorcycle parts. Berrada disc. dep. p. 73.

\*7 Plaintiff's burden of proof with respect to priority in the opposition and cancellation proceedings is a preponderance of the evidence. Eastman Kodak Co. v. Bell Howell Document Management Products Co., 994 F.2d 1569, 26 USPQ2d 1912, 1918 (Fed. Cir. 1993), citing 2 J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition, Section 20.16 (3d ed. 1992). We find that plaintiff has met this burden in showing that it made prior common law use of the composite mark HARLEY-DAVIDSON SCREAMIN' EAGLE PEFORMANCE PARTS and eagle design for pins, belt buckles, baseball caps, lighters and emblems/patches. 8

Plaintiff's evidence of record establishes that Harley-Davidson offered pins and belt buckles as early as 1985 and baseball caps, lighters and emblems/patches as early as 1987 under this composite mark. Although Boutique contends that plaintiff's evidence fails in this regard because plaintiff offered no actual evidence of sales, i.e., sales invoices, there is no requirement that such evidence be submitted in order to establish prior use of a mark. Moreover, the evidence of record establishes that Harley-Davidson has made continuous use of the composite mark in connection with these and other kinds of collateral goods.

Even if, as Boutique has argued, Harley-Davidson's use of the composite mark on collateral goods served the purpose of promoting Harley-Davidson's motorcycle parts and accessories, Harley-Davidson is nonetheless entitled to rely on this use for purposes of priority. "We hasten to [note] that the mere fact that a collateral product serves the purpose of promoting a party's primary goods or services does not necessarily mean that the collateral product is not a good in trade, where it is readily recognizable as a product of its type (as would be the case with T-shirts, for example) and is sold or transported in commerce. See, for example: In re Snap-On Tools Corp., 159 USPQ 254 (TTAB 1968) [ball point pens which are used to promote applicant's

tools, but which possess utilitarian function and purpose, and have been sold to applicant's franchised dealers and transported in commerce under mark, constitute goods in trade], and In re United Merchants & Manufacturers, Inc., 154 USPQ 625 (TTAB 1967)[calendar which is used as advertising device to promote applicant's plastic film, but which possesses, in and of itself a utilitarian function and purpose, and has been regularly distributed in commerce for several years, constitutes goods in trade]." Paramount Pictures Corp. v. White, 31 USPQ2d 1768, 1773 (TTAB 1994).

As previously noted, Boutique has argued that Harley-Davidson's use of the composite mark on the collateral goods was ornamental in nature and did not serve to create any trademark rights in the composite mark or SCREAMIN' EAGLE per se. Also, Boutique has argued that to the extent plaintiff/Harley-Davidson acquired trademark rights in the composite mark or SCREAMIN' EAGLE per se for collateral goods, those rights were abandoned as a result of non-use from 1994 to 1997. Plaintiff has objected to consideration of these issues, maintaining that they were not raised as affirmative defenses by Boutique in any amended pleading and that there has been no trial of the issues. We find that Boutique's ornamental and abandonment defenses are untimely, and thus we decline to consider them. Boutique did not raise these defenses until its brief on the case. It failed to properly amend its answers to the opposition and the petitions to cancel after it learned of the facts which Boutique contends establish these defenses. Also, we agree with plaintiff that such issues were not tried by implied consent. To allow Boutique to raise the defenses at this late stage would be unfair surprise to plaintiff.

\*8 We should add that even if we were to consider Boutique's ornamental and abandonment defenses, we would find that they are without merit. Boutique has pointed to no evidence in the record that supports its contention that plaintiff's composite mark is perceived by the relevant purchasers as mere ornamentation.

Moreover, the fact that plaintiff did not introduce Harley-Davidson catalogs containing SCREAMIN' EAGLE merchandise for the period between 1994 and 1997 does not, as Boutique argues, establish that the composite mark was abandoned.

## Likelihood of Confusion

In view of the fact that plaintiff has established its priority with respect to the composite mark HARLEY-DAVIDSON SCREAMIN'EAGLE PERFORMANCE PARTS and eagle design for motorcycle parts and accessories as well as its collateral goods, namely belt buckles, baseball caps, pins, lighters, and patches/emblems, we turn to the issue of likelihood of confusion.

Our likelihood of confusion determination is based on an analysis of all of the facts in evidence that are relevant to the factors bearing on the likelihood of confusion issue. In re E.I. duPont de Nemours & Co., 476 F.2d 1357, 177 USPQ 563 (CCPA 1973). In any likelihood of confusion analysis, two key considerations are the similarities or dissimilarities between the marks and the similarities or dissimilarities between the goods and/or services. Federated Foods, Inc. v. Fort Howard Paper Co., 544 F.2d 1098, 192 USPQ 24 (CCPA 1975).

We turn first to the marks. Our consideration of the marks is based on whether each of Boutique's marks and plaintiff's mark, when viewed in their entireties, are similar in terms of appearance, sound, connotation and commercial impression. The test is not whether the marks can be distinguished when subjected to a side-by-side comparison, but rather whether the marks are sufficiently similar in terms of their overall commercial impressions that confusion as to the source of the goods or services offered under the respective marks is likely to result. The focus is on the recollection of the average purchaser, who normally retains a general rather than a specific impression of trademarks. See Sealed Air Corp. v. Scott Paper Co., 190 USPQ 106 (TTAB 1975). Furthermore, although the marks at issue must be considered in their entireties, it is well settled that one feature of a mark may be more significant than another, and it is not improper to give more weight to this dominant feature in determining the commercial impression created by the mark. See In re National Data Corp., 753 F.2d 1056, 224 USPQ 749 (Fed. Cir. 1985).

The marks in Boutique's application and registrations are SCREAMIN' EAGLE and SCREAMING EAGLE. As previously indicated, plaintiff has established prior common law use of the composite mark HARLEY-DAVIDSON SCREAMIN' EAGLE PERFORMANCE PARTS and eagle design as shown below.



\*9 Applying the above principles to the marks at issue, it is clear that the distinctive term SCREAMIN' EAGLE is the dominant element in plaintiff's mark and the house mark HARLEY-DAVIDSON is displayed in a less prominent manner. Further, the phrase PERFORMANCE PARTS adds little impact to the overall commercial impression created by the plaintiff's mark. With respect to the eagle design, it serves to reinforce the term SCREAMIN' EAGLE.

Considering the marks at issue in their entireties, we find that Boutique's marks SCREAMIN' EAGLE and SCREAMING EAGLE, in commercial impression, are highly similar to plaintiff's composite mark HARLEY-DAVIDSON SCREAMIN' EAGLE PERFORMANCE PARTS and eagle design.

We turn next to the issue of the similarity or dissimilarity of the parties' goods, trade channels, and class of purchasers. It is not necessary that the respective goods be identical or even competitive in order to support a finding of likelihood of confusion. Rather, it is sufficient that the goods are related in some manner, or that the circumstances surrounding their marketing are such, that they would be likely to be encountered by the same persons in situations that would give rise, because of the marks used thereon, to a mistaken belief that they originate from or are in some way associated with the same source or that there is an association or connection between the sources of the respective goods or services. See In re Martin's Famous Pasty Shoppe, Inc., 748 F.2d 1565, 223 USPQ 1289 (Fed. Cir. 1984); In re Melville Corp., 18 USPQ2d 1386 (TTAB 1991); In re International Telephone & Telegraph Corp., 197 USPQ 910 (TTAB 1978).

The goods of Harley-Davidson and Boutique are identical with respect to belt buckles (class 26) and caps/baseball caps (class 25). Moreover, we find that Harley-Davidson's pins are closely related to the jewelry (class 14) identified in Boutique's pending application. Further, we find that Boutique's posters (class 16), coffee mugs (class 21) and wallets, handbags, etc. (class 18) are sufficiently related to Harley-Davidson's collateral goods as to be likely to cause confusion where as here the marks are highly similar and the record shows that Harley-Davidson has extensively licensed its composite mark on collateral goods. In other words, we find that Boutique's goods are within the natural zone of expansion for plaintiff's composite mark. See Mason Engineering & Designing Corp. v. Mateson Chemical Corp., 225 USPQ 956, 962 (TTAB 1985) [First user of a mark in connection with particular goods possesses superior rights "as against subsequent users of the same or similar mark for any goods or services which purchasers might reasonably expect to emanate from it in the normal expansion of its business under the mark"].

\*10 Boutique argues that its goods would be sold in different trade channels from the collateral goods of Harley-Davidson which are sold by way of Harley-Davidson catalogs, at Harley-Davidson dealerships, and trackside at National Hot Rod Association racing events. Further, Boutique argues that Harley-Davidson's collateral goods are sold to sophisticated purchasers.

Indeed, the record shows that at the time of trial, Harley-Davidson's collateral goods offered under the composite mark HARLEY-DAVIDSON SCREAMIN' EAGLE PERFORMANCE PARTS and eagle design were sold only through the above limited channels of trade. However, the record also shows that Harley-Davidson brand collateral goods have been sold at

retail outlets such as Bloomingdale's and Wal-Mart. Thus, it is not unreasonable to assume that Harley-Davidson may sell its HARLEY-DAVIDSON SCREAMIN' EAGLE PERFORMANCE PARTS and eagle design collateral goods at such retailers. We note that the goods listed in Boutique's application and registrations are not restricted in any way. Thus, we must assume that Boutique's goods would be sold in all customary channels of trade to all possible consumers for goods of their type. Canadian Imperial Bank of Commerce v. Wells Fargo, N.A., 811 F.2d 1460, 1 USPQ2d 1813 (Fed. Cir. 1987). Under the circumstances, it is quite possible that the HARLEY-DAVIDSON SCREAMIN' EAGLE PERFORMANCE PARTS and eagle design collateral goods and Boutique's goods may travel in some of the same channels of trade such as department stores and mass merchandisers. Also, although Harley-Davidson's collateral goods are sold primarily to owners of Harley-Davidson motorcycles, this is not an insignificant number of persons and we may assume that these individuals would also be potential purchasers of Boutique's goods. In short, it may be presumed that there would be overlap in the purchasers.

As to Boutique's contention that the purchasers of Harley-Davidson's collateral goods are sophisticated purchasers, there is no evidence of record to support this contention. Moreover, considering that Harley-Davidson's collateral products are relatively inexpensive (e.g., a baseball cap is priced at \$7.50 and an emblem at \$1.95), it is unlikely that purchasers will exercise a great deal of care when purchasing these items.

In reaching our conclusion that confusion is likely, we have considered the evidence of third-party registrations and third-party uses of SCREAMIN/SCREAMING EAGLE submitted by Boutique. Boutique introduced copies of ten third-party registrations of marks consisting of SCREAMIN/SCREAMING EAGLE for various goods and services. In addition, Boutique introduced through the testimony of its witness, Ruth Dillon, Internet printouts showing use of "Screamin or Screaming Eagle." Boutique argues that this evidence shows that plaintiff's composite mark is diluted.

As often stated, third-party registrations generally are of limited probative value in determining the question of likelihood of confusion. This is so because they are not evidence of use of the marks shown therein and they are not proof that consumers are so familiar with such marks so as to be accustomed to the existence of the marks in the marketplace. Richardson-Vicks, Inc. v. Franklin Mint Corp., 216 USPQ 989 (TTAB 1982).

\*11 As to the Internet printouts, we note that many of the uses of "Screamin or Screaming Eagle" therein are in connection with goods and services that are very different from plaintiff's collateral goods, e.g., high school and college mascots; wine; travel agency services; tree stands for hunting; and a United States military division. In short, this evidence does not establish that plaintiff's composite mark is weak or diluted.

In sum, having found that plaintiff's and Boutique's marks, when viewed in their entireties, are substantially similar in overall commercial impression and that plaintiff's collateral goods and the goods identified in Boutique's application and registrations are related, we conclude that the contemporaneous use of plaintiff's and Boutique's marks on their respective goods is likely to cause confusion as to source or sponsorship.

In view of our above likelihood of confusion finding, we need not reach the question of likelihood of confusion vis-à-vis Harley Davidson's motorcycle parts and accessories and the goods in Boutique's application and registrations.

## Fraud

Plaintiff's fraud claim is based on its allegation that Boutique's averment in its involved application and the applications that matured into the involved registrations that no other person has the right to use the marks SCREAMING EAGLE and SCREAMIN' EAGLE in commerce constitutes a false material representation. Plaintiff maintains that Boutique's president, Mr. Berrada, knew of Harley-Davidson's prior rights in SCREAMIN' EAGLE for identical and related goods at the time Boutique filed each of the applications. In support of its position, plaintiff points to the testimony of Mr. Berrada that he knew of Harley-Davidson's use of SCREAMIN' EAGLE at least as early as "90, 92, 93". Berrada disc. dep. p. 66. Further, plaintiff points to Mr. Berrada's failed attempt to become a Harley-Davidson licensee in 1988; his possession of Harley-Davidson catalogs; his

dealings with third-parties who manufactured collateral goods for Harley-Davidson, and his attendance at the same Canadian motorcycle trade show as Harley-Davidson.

Boutique, on the other hand, maintains that while Mr. Berrada learned of Harley-Davidson's use of SCREAMIN' EAGLE for motorcycle parts and accessories in the early 1990's, he had no knowledge of Harley-Davidson's use of SCREAMIN' EAGLE on clothing at the time it filed its applications. According to Boutique, its attempt to enter the U.S. market was simply a natural progression for a brand that it had established in Canada five years earlier.

As previously indicated, Mr. Berrada testified that he first became aware of the use of SCREAMIN' EAGLE by Harley-Davidson in "#90, '92, #93." Berrada disc. dep. p. 66. In addition, Mr. Berrada, on behalf of Boutique, ordered merchandise from several third-parties in the United States who manufactured collateral goods for Harley-Davidson. Berrada, test. dep. pp. 23 and 30. Further, Mr. Berrada applied labels bearing Boutique's name and address and its SCREAMING EAGLE mark on Harley-Davidson catalogs that featured officially licensed products. Exhibits 7 and 8 to the Berrada deposition. According to Mr. Berrada, the catalogs "were sent to customers [in Canada] who deal in a variety of products, general merchandise...". Boutique was a "middleman" between U.S. distributors of Harley-Davidson merchandise and Canadian retailers. Berrada disc. dep. p. 42.

\*12 Douglas Decent, marketing director of Fred Deely Imports, a Canadian distributor of Harley-Davidson products, testified that he met Mr. Berrada in either late 1988 or early 1989 in Montreal. Mr. Berrada had applied for a silk screen license in Harley-Davidson's licensing program. According to Mr. Decent, when meeting with prospective licensees, he explains Harley-Davidson's business with respect to motorcycle distribution, parts and clothing. He said he typically discusses brochures which cover Harley-Davidson's motorcycles, parts, accessories, fashions and collectibles. Further, Mr. Decent testified that he had seen Mr. Berrada at trade shows where Harley-Davidson brochures were displayed.

Our analysis of the fraud claim is governed by the following guidelines:

Fraud implies some intentional deceitful practice or act designed to obtain something to which the person practicing such deceit would not otherwise be entitled. Specifically, it involves a willful withholding from the Patent and Trademark Office by an applicant or registrant of material information or fact, which, if disclosed to the Office, would have resulted in the disallowance of the registration sought or to be maintained. Intent to deceive must be "willful". If it can be shown that the statement was a "false misrepresentation" occasioned by an "honest" misunderstanding, inadvertence, negligent omission or the like rather than one made with a willful intent to deceive, fraud will not be found. Fraud, moreover, will not lie if it can be proven that the statement, though false, was made with a reasonable and honest belief that it was true or that the false statement is not material to the issuance or maintenance of the registration. It thus appears that the very nature of the charge of fraud requires that it be proven "to the hilt" with clear and convincing evidence. There is no room for speculation, inference or surmise and, obviously, any doubt must be resolved against the charging party.

First International Services Corp. v. Chuckles Inc., 5 USPQ2d 1628, 1634 (TTAB 1988), citing Smith International Inc. v. Olin Corp., 209 USPQ 1033, 1043-44 (TTAB 1981).

We find that plaintiff has not met its "heavy burden of proof" in showing fraud. W.D. Byron & Sons, Inc. v. Stein Bros, Mfg. Co., 377 F.2d 1001, 153 USPQ 749 (CCPA 1967). In this case, the evidence points no clear picture that as of the filing dates of the applications, Mr. Berrada knew that Harley Davidson was using HARLEY-DAVIDSON SCREAMIN' EAGLE PERFORMANCE PARTS and eagle design on the identical goods as in Boutique's applications rather than on motorcycles parts and accessories. On cross-examination, Mr. Decent stated that he could not remember exactly what brochures he gave to Mr. Berrada. Thus, we do not know for certain that Mr. Decent gave Mr. Berrada brochures containing collateral products with HARLEY-DAVIDSON SCREAMIN' EAGLE PERFORMANCE PARTS and eagle design. Also, the brochures which

Mr. Berrada had in his possession and on which he had placed Boutique's label did not contain collateral products bearing this composite mark.

## Abandonment

\*13 With respect to the mark SCREAMIN' EAGLE in Boutique's Registration No. 2,188,686, plaintiff contends that there is no evidence of record of any use of this mark by Boutique since September 15, 1988, the date of issuance of the registration. Thus, plaintiff argues that a prima facie case of abandonment has been established.

Boutique, on the other hand, argues that it has refrained from using this mark in the U.S. because of the cancellation proceeding. Further, Boutique contends that since the underlying application was based on an intent-to-use, it had 5-6 years from the filing date of the application to "show evidence that the mark is in use." Brief, p. 39.

A mark is deemed abandoned under Section 45 of the Trademark Act when its use has been discontinued with intent not to resume or commence use. Intent not to resume or commence use may be inferred from circumstances, and nonuse for three consecutive years constitutes prima facie evidence of abandonment. Section 45 of the Trademark Act.

A review of Boutique's underlying application reveals that it was not based on an intent-to-use. Rather, Boutique's Registration No. 2,188,686 issued under Section 44(e) of the Trademark Act. For a registration issued under Section 44(e), the statutory three-year period of nonuse that constitutes prima facie evidence of abandonment begins from the date of registration. See Imperial Tobacco, 899 F.2d 1575, 14 USPQ2d 1390 (Fed. Cir. 1990). Boutique has put forth no evidence of use of its mark since September 15, 1988, the date of issuance of Registration No. 2,188,686. Thus, plaintiff has established a prima facie showing of abandonment. As to Boutique's contention that it refrained from using the mark because of the cancellation proceeding, the pendency of the cancellation proceeding is not in and of itself a special circumstance that excuses nonuse. This is unlike a forced withdrawal from the market due to outside causes such as import problems or unprofitable sales. See 1 J. T. McCarthy, supra, Section 17.04 (3d ed. 1992).

**Decision**: The opposition is sustained on the ground of likelihood confusion; the petitions to cancel are granted on the grounds of likelihood of confusion and abandonment.

#### Footnotes

- 1 Application Serial No. 74574289, filed September 16, 1994, asserting a bona fide intention to use the mark in commerce.
- Registration No. 1,886,489 issued on March 28, 1995 from an application filed on August 20, 1992, which alleged a bona fide intention to use the mark in commerce. This registration was cancelled June 18, 2003 under the provisions of Section 8 of the Trademark Act. This registration is the subject of Cancellation No. 92027073.
- Registration No. 2,188,686 issued on September 15, 1998 from an application filed on April 18, 1995, which was based upon Section 44(e) of the Trademark Act. This registration is the subject of Cancellation No. 92029665.
- Issued on July 2, 1985 from an application filed on November 11, 1983 which sets forth dates of first use of September 14, 1983; Sections 8 and 15 affidavits accepted and acknowledged, respectively.
- We note that plaintiff also introduced a certified copy of its Registration No. 1,953,342 for the mark SCREAMIN' EAGLE CHILI for "chili," which issued January 30, 1996; Sections 8 and 15 affidavits accepted and acknowledged, respectively. Although Boutique did not object to plaintiff's introduction of this unpleaded registration and thus the pleadings may be deemed amended to plead ownership of the registration, see Fed. R. Civ. P. 15(b), plaintiff has not relied on this registration in connection with any of its claims in these proceedings. Thus, we have given no consideration to the registration.
- Indeed, Boutique states: "Harley initiated a line of performance parts for motorcycles which it called SCREAMIN' EAGLE in 1983." (Brief, p. 1).
- In these proceedings, Boutique did not present evidence of use which predates the filing dates of its pending application or the applications which matured into the involved registrations. Thus, the earliest use dates on which Boutique may rely for priority purposes is the application filing dates. Levi Strauss Co. v. R. Josephs Sportswear, 28 USPQ 1464 ((TTAB 1993), recon. denied,

- 36 USPQ2d 1328 (TTAB 1994). We note the following statement at page 22 of Boutique's brief: "Boutique is entitled to rely on the filing dates of its applications."
- We find that plaintiff has made prior common law use of the composite mark rather than SCREAMIN' EAGLE per se because of the manner in which SCREAMIN' EAGLE is used on the collateral goods, i.e., with HARLEY-DAVIDSON and PEFORMANCE PARTS and the eagle design.

2004 WL 2368469 (Trademark Tr. & App. Bd.)

**End of Document** 

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## 2011 WL 1399234 (Trademark Tr. & App. Bd.)

#### THIS OPINION IS NOT A PRECEDENT OF THE T.T.A.B.

Trademark Trial and Appeal Board

Patent and Trademark Office (P.T.O.)

Luxco, Inc.

v.

Tovaritch & Spirits International SARL

Cancellation No. 92047201 March 24, 2011

\*1 Michael R. Annis of Husch Blackwell Sanders LLP, for Luxco, Inc. Jess N. Collen of Collen IP, for Tovaritch & Spirits International SARL

Before Walters, Bucher, and Ritchie Administrative Trademark Judges Opinion by Ritchie Administrative Trademark Judge:

On June 26, 2001, Tovaritch & Spirits International SARL (respondent), applied to register TOVARITCH for "vodka," in International Class 33, which registration was granted on January 9, 2007. <sup>1</sup> On March 9, 2007, Luxco, Inc. (petitioner), filed a petition to cancel the registration of applicant's mark on the ground that respondent's mark is likely to cause confusion with petitioner's marks. Petitioner asserted that it owns Registration No. 1036350 for the mark TVARSCKI in typed character form for "vodka and gin," in International Class 33. <sup>2</sup> as well as Registration No. 1161228 for the mark TV in typed form for "vodka," in International Class 33. <sup>3</sup> Respondent denied the salient allegations of the petition and asserted the affirmative defense of laches. Both parties filed briefs and petitioner filed a reply brief.

We find it necessary to note that both parties submitted a significant amount of information into the record under the label of "confidential" or "highly confidential." Some of this information is clearly not confidential, including public advertisements and dictionary definitions. We have of course kept confidential information that is appropriately designated, but we will not be hamstrung in our analysis. Accordingly, we advise counsel to use these designations more judiciously as it makes it more difficult for us to include in our decisions information which is appropriately public.

# The Record and Evidentiary Objection

The record consists of the pleadings; the file of the application for the contested registration; and notices of reliance submitted by both parties including discovery responses; dictionary definitions; excerpts from printed publications; and status and title copies of the trademark registrations pleaded by petitioner. The record also contains the testimonial deposition of Stephen P. Soucy, petitioner's Chief Financial Officer, taken during petitioner's testimony period on December 4, 2009.

Respondent attempted to enter into the record the testimonial deposition of its Chief Executive Officer, Eugenio Litta Modignani, taken on March 19, 2010, the last, extended day of respondent's testimonial period. Petitioner objected to the entry of Mr. Modignani's deposition into the record on the grounds that it was procedurally erroneous, in violation of the Federal Rules of Civil Procedure. Specifically, petitioner notes that respondent took Mr. Modignani's deposition via telephone with Mr. Modignani located in Switzerland, and the court reporter located at the law offices of respondent's counsel in Ossining, New York. Petitioner's counsel also attended via telephone. Since neither the court reporter nor petitioner's counsel was located with

the witness, respondent alleges that no one can attest to the veracity of the witness' identity nor of his statements (*e.g.*, that he was not being coached). Respondent, on the other hand, points to the Board order of March 19, 2010, granting respondent the right to a telephonic deposition of Mr. Modignani, and says that it was "obvious" that Mr. Modignani would be located in Switzerland while the court reporter would be in New York. (Resp's brief at 5).

\*2 Preliminarily, we note that petitioner properly made and preserved its objection. Petitioner first lodged its objection in a timely manner during the actual deposition and then renewed it again in its trial brief. The applicable rule provides that "a deposition may be taken in a foreign country: on notice, before a person authorized to administer oaths either by federal law or by the law in the place of examination." Fed.R.Civ.Pro. 28(b)(1)(C). As to the meaning of the phrase "before," we find it to be fairly clear in indicating that the witness must be in the presence of the official recording the testimony. As one court noted: "the applicable rules require the notary public to be present with the witness at a telephonic deposition rather than in the presence of the persons conducting the examination." *Hudson v. Spellman High Voltage*, 178 F.R.D. 29, 32 (EDNY 1998). Another court, albeit in an unreported decision, but one that is instructive in language, explained: "I find that the administration of the oath to [witness] by a court reporter who is authorized to administer an oath in the United States but not in Poland and who is located in New Orleans at the time of the deposition fails to comply with the rules." *Loucas G. Matsas Salvage & Towage Maritime Co. v. M/T Cold Spring I*, 1997 WL 102491 E.D.La., March 5, 1997.

Despite respondent's assertion to the contrary, we find that it was not "obvious" to petitioner that the witness would be located in a different location from the court reporter taking his testimony. The Board granted respondent the right to take a telephonic deposition of foreign national Mr. Modignani with the understanding that the applicable procedural rules would be followed. Having waited until the last, extended day of its testimonial period to arrange for that deposition of its own witness, respondent had plenty of time to also arrange for the proper procedure to be followed, including arranging for a court reporter or other appropriate official to record Mr. Modignani's testimony in Switzerland while counsel for both parties participated by telephone. Accordingly, we see no reason to waive the rules in this case, and the objection is sustained. We have not considered Mr. Modignani's deposition in our decision. <sup>4</sup>

## **Priority and Standing**

Standing is a threshold issue that must be proven in every *inter partes* case. See *Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185, 189 (CCPA 1982) ("The facts regarding standing ... must be affirmatively proved. Accordingly, [plaintiff] is not entitled to standing solely because of the allegations in its [pleading]."). To establish standing in a cancellation, petitioner must show both "a real interest in the proceedings as well as a 'reasonable' basis for his belief of damage." *See Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023, 1025 (Fed. Cir. 1999).

\*3 As a result of petitioner's submission of status and title copies of its TVARSCKI (No. 1036350) and TV registrations (No. 1161228), petitioner has established its standing in this action.

Respondent's inability to contest petitioner's priority in this case was granted as a discovery sanction by Board order of May 5, 2009, provided petitioner, "put in evidence of its priority sufficient to make a *prima facie* case." We find that petitioner has made that *prima facie* case with the entry of its pleaded registrations into evidence. Petitioner's witness also testified that petitioner acquired the TVARSKI and TV brands in 1987 and has used the marks on vodka continuously since. (Soucy depo. at 19-20; 57; and Ex 9).

# Laches

Prior to our consideration of petitioner's pleaded claim of likelihood of confusion, we must first address respondent's affirmative defense of laches to determine whether petitioner's claim is barred thereby. It is settled that laches generally is available against a Section 2(d) claim of likelihood of confusion in a cancellation proceeding. See National Cable Television Association Inc. v. American Cinema Editors Inc., 973 F.2d 1572, 19 USPQ2d 1424 (Fed. Cir. 1991) (defense of laches was considered in

connection with a cancellation proceeding brought under Section 2(d)); and *Christian Broadcasting Network Inc. v. ABS-CBN International*, 84 USPQ2d 1560 (TTAB 2007) (because defense of laches found to apply, petition to cancel brought under Section 2(d) dismissed).

In order to prevail on the affirmative defense of laches, respondent must establish that there was undue or unreasonable delay by petitioner in asserting its rights, and that prejudice to respondent resulted from that delay. See Bridgestone/Firestone Research Inc. v. Automobile Club de l'Ouest de la France, 245 F.3d 1359, 58 USPQ2d 1460, 1462 (Fed. Cir. 2001) ("Mere delay in asserting a trademark-related right does not necessarily result in changed conditions sufficient to support the defense of laches. There must also have been some detriment due to the delay.") With regard to delay, the focus is on reasonableness and the Board must consider any excuse offered for the delay. See A. C. Aukerman Co. v. R. L. Chaides Construction Co., 960 F.2d 1020, 22 USPQ2d 1321, 1329 (Fed. Cir. 1992).

Respondent filed its trademark application on June 26, 2001, and the mark was published for opposition on December 13, 2005. However, the application was initially filed as a Section 44(e) application, and registration was not granted until January 9, 2007. The registration constitutes constructive notice to petitioner of respondent's registration. *See Teledyne Technologies, Inc. v. Western Skyways, Inc.*, 78 USPQ2d 1203 (TTAB 2006), *aff'd*, 208 Fed. Appx. 886, unpublished Nos. 2006-1336, 2006-1367 (Fed. Cir. December 6, 2006). There is nothing in the record to indicate that petitioner had actual notice of the application or of respondent's use of its TOVARITCH mark in the United States prior to the January 9, 2007 registration date. Petitioner initiated this cancellation proceeding a mere two months from that date, on March 9, 2007. Accordingly, we cannot consider that there was an undue delay by petitioner after the registration issued, and respondent has not alleged or shown any detriment caused thereby.

\*4 Although there is evidence (in the confidential record) that petitioner was aware of respondent's ownership of the TOVARITCH mark outside the United States, and possibly aware of respondent's intent to begin use of the mark in the United States, there is no evidence of clear notice in that regard, nor of petitioner's awareness that respondent would file a registration with the USPTO, which is at issue in this proceeding. The petition for cancellation was filed just months after the registration was granted. Meanwhile there is no evidence that respondent has used its mark in the United States, and petitioner's witness has testified that he is not aware of any sales by respondent in the United States (Soucy depo. at 92-93). We therefore find it completely plausible that petitioner was not aware that respondent had entered the United States market or really intended to do so until respondent filed for and received this registration. On that record, we do not find that respondent has established undue delay by petitioner in filing this action or resulting prejudice thereby. Respondent's defense of laches, therefore, fails.

## Likelihood of Confusion

Our determination under Section 2(d) is based on an analysis of all of the relevant, probative evidence in the record related to a likelihood of confusion. See In re E. I. du Pont de Nemours & Co., 476 F.2d 1357, 177 USPQ 563 (CCPA 1973); see also Palm Bay Imports, Inc. v. Veuve Clicquot Ponsardin Maison Fondee En 1772, 396 F.3d 1369, 73 USPQ2d 1689 (Fed. Cir. 2005); In re Majestic Distilling Company, Inc., 315 F.3d 1311, 65 USPQ2d 1201 (Fed. Cir. 2003); and In re Dixie Restaurants Inc., 105 F.3d 1405, 41 USPQ2d 1531 (Fed. Cir. 1997). In any likelihood of confusion analysis, two key considerations are the similarities between the marks and the similarities between the goods. See Federated Foods, Inc. v. Fort Howard Co., 544 F.2d 1098, 192 USPQ 24, 29 (CCPA 1976) ("The fundamental inquiry mandated by §2(d) goes to the cumulative effect of differences in the essential characteristics of the goods and differences in the marks"). Petitioner has pleaded two marks. For purposes of likelihood of confusion, however, we focus our analysis on the most relevant pleaded registration, Registration No. 1036350 for TVARSCKI, as discussed below. If we find likelihood of confusion as to this registration, then our analysis as to TV will be moot. If on the other hand, we do not find it, then we would not find it as to TV either.

Fame

Petitioner argues that the strength of its mark should be taken into account in our analysis. This factor plays a dominant role in cases featuring a famous or strong mark. *Kenner Parker Toys Inc. v. Rose Arts Industries, Inc.*, 963 F.2d 350, 22 USPQ2d 1453 (Fed. Cir. 1992). Famous marks are accorded more protection precisely because they are more likely to be remembered and associated in the public mind than a weaker mark. *Id.* A famous mark is one "with extensive public recognition and renown." *Id. See also Palm Bay Imports Inc. v. Veuve Clicquot Ponsardin Maison Fondee En 1772*, 396 F.3d 1369, 73 USPQ2d 1689, 1694 (Fed. Cir. 2005).

\*5 In this regard, petitioner submitted evidence of sales, advertising, and length of use. This was all submitted on the confidential record. Accordingly, we are not at liberty to mention it here. Suffice to say, petitioner failed to provide sufficient context in the industry for its figures in order for us to determine the possible strength of the TVARSCKI mark. Mr. Soucy was not even able to state what percentage of vodka sales in the United States are provided by petitioner annually, mentioning only his estimate of petitioner's share of the "spirits industry" overall, and even there he provided no context of how much a percentage any other company provides. This record is simply insufficient for us to find any degree of fame.

## The Goods and Channels of Trade

The identification of goods in the application covers "alcoholic beverages, notably vodka." The identification of goods in petitioner's Registration No. 1036350 for TVARSCKI covers "vodka and gin." Accordingly, the goods overlap and are in-part identical.

Moreover, because the goods identified in the application and the TVARSCKI registration are in-part identical, we must presume that the channels of trade and classes of purchasers are the same. *See Genesco Inc. v. Martz*, 66 USPQ2d 1260, 1268 (TTAB 2003) ("Given the in-part identical and in-part related nature of the parties' goods, and the lack of any restrictions in the identifications thereof as to trade channels and purchasers, these clothing items could be offered and sold to the same classes of purchasers through the same channels of trade"). In particular, there is nothing that prevents respondent from selling its "vodka" in the same stores, and indeed on the same shelves, as petitioner's "vodka," including to the same customers. This is particularly true where, as here, the goods are in-part identical. Accordingly, we find that these *du Pont* factors weigh heavily in favor of finding a likelihood of confusion.

## The Marks

We consider and compare the appearance, sound, connotation and commercial impression of the marks in their entireties. *Palm Bay Imports Inc. v. Veuve Clicquot Ponsardin Maison Fondee En 1772*, 396 F.3d 1369, 73 USPQ2d 1689, 1692 (Fed. Cir. 2005). Preliminarily, we note that the more similar the goods at issue, the less similar the marks need to be for the Board to find a likelihood of confusion. *Century 21 Real Estate Corp. v. Century Life of America*, 970 F.2d 874, 23 USPQ2d 1698 (Fed. Cir. 1992). In comparing the marks, we are mindful that the test is not whether the marks can be distinguished when subjected to a side-by-side comparison, but rather whether the marks are sufficiently similar in terms of their overall commercial impression so that confusion as to the source of the goods offered under the respective marks is likely to result. *San Fernando Electric Mfg. Co. v. JFD Electronics Components Corp.*, 565 F.2d 683, 196 USPQ 1, 3 (CCPA 1977); *Spoons Restaurants Inc. v. Morrison Inc.*, 23 USPQ2d 1735, 1741 (TTAB 1991), *aff'd unpublished*, No. 92-1086 (Fed. Cir. June 5, 1992). The proper focus is on the recollection of the average consumer, who retains a general rather than specific impression of the marks. *Winnebago Industries, Inc. v. Oliver & Winston, Inc.*, 207 USPQ 335, 344 (TTAB 1980); *Sealed Air Corp. v. Scott Paper Co.*, 190 USPQ 106, 108 (TTAB 1975)

\*6 Petitioner's mark TVARSCKI is an arbitrary or even fanciful mark, with no apparent meaning. There is no dictionary definition, or translation for the term, nor is it apparently a surname. (Soucy depo. at 14). Several dictionary definitions were submitted for terms similar to respondent's mark, TOVARITCH, but none matched it exactly. Even if we were to accept a definition of a different term, such as "tovarich" (meaning "comrade"), <sup>6</sup> this does not necessarily convey a different commercial impression than petitioner's mark since petitioner's mark is, as stated, arbitrary or fanciful, and does not have a definition.

Comparing the two marks, we find that both are arbitrary marks beginning with an unusual "TVAR" or "TOVAR." Both have a Russian "look and feel." As to the sound, it is well-settled that there is no correct pronunciation of a trademark. *In re Teradata Corp.*, 223 USPQ 361, 362 (TTAB 1984). Accordingly, we find it plausible that consumers will pronounce these marks similarly. Certainly, the beginnings of the marks appear to be quite similar.

Accordingly, although the marks have dissimilarities in sight and sound, we find these to be outweighed by their similarities as to commercial impression, sufficient to find a likelihood of confusion, particularly in light of the identical goods. Thus, the first *du Pont* factor also weighs in favor of petitioner.

# Third-Party Use of Shared Term

Respondent argues that under the sixth *du Pont* factor, we should consider in this case, the "number and nature of similar marks in use on similar goods." At core, the relevant question is whether so many third parties use the term shared between the mark in the application and the cited registration that consumers will look to even very nuanced points of differentiation. *See In re Broadway Chicken Inc.*, 38 USPQ2d 1559, 1564-1565 (TTAB 1996). In that case, the applicant submitted evidence that hundreds of businesses use the shared term for the goods for which applicant sought registration. Here, by contrast, respondent's brief cites to an insignificant number of third-party registrations attached to the Modignani deposition. Even if we had not struck the Modignani deposition from the record, these registrations would be insufficient to tip this *du Pont* factor in favor of respondent. Rather, we find it to be neutral.

# **Actual Confusion**

Respondent argues that there is no evidence of actual confusion despite years of overlap in the marketplace. A lack of evidence of "actual confusion" carries little weight in our analysis however. Furthermore, there is no evidence that respondent has actually used its mark in the United States. (Soucy depo. at 92-93). Accordingly, we find this *du Pont* factor to be neutral.

# Balancing the Factors

\*7 Considering all of the evidence of record as it pertains to the *du Pont* factors, in comparing respondent's TOVARITCH mark to respondent's Registration No. 1036350 for TVARSCKI, we conclude that the goods are in-part identical and are likely to be marketed through the same channels of trade; petitioner's mark is arbitrary or fanciful as applied to vodka; and the marks are similar enough to support a finding of likelihood of confusion under this set of circumstances. Resolving doubt in favor of petitioner as the prior registrant, which we must, we find a likelihood of consumer confusion. *See In re Martin's Famous Pastry Shoppe, Inc.*, 748 F.2d 1565, 223 USPQ 1289, 1290 (Fed. Cir. 1984); *Miss Universe L.P. v. Community Marketing Inc.*, 82 USPQ2d 1562, 1572 (TTAB 2007).

**DECISION:** The petition to cancel is granted.

#### Footnotes

- Registration No. 3197190, based on Section 1(a) and 44(e) of the Trademark Act, alleging dates of first use on June 26, 2000, and first use in commerce on August 27, 2006, and claiming priority from foreign Registration No. 478884 (Switzerland), registered on May 11, 2000.
- 2 Registered March 23, 1976, based on first use and first use in commerce on December 31, 1959. Sections 8 and 15 affidavits accepted and acknowledged. Renewed twice.
- Registered July 14, 1981, based on first use and first use in commerce on December 31, 1959. Sections 8 and 15 affidavits accepted and acknowledged. Renewed.

- We do note, however, that considering the nature of the deposition testimony and exhibits attached thereto, had we reached a different conclusion and decided to accept the deposition into evidence, it would not change the result in this decision.
- The only exception is when confusion is inevitable, because any injury to respondent caused by petitioner's delay is outweighed by the public's interest in preventing confusion. *See Turner v. Hops Grill & Bar Inc.*, 52 USPQ2d 1310 (TTAB 1999).
- 6 See Merriam-Webster's Collegiate Dictionary (11 th ed. 2003).
- Petitioner submitted evidence in a notice of reliance showing the scarcity of words in the dictionary beginning with "TVAR" or "TOVAR."

2011 WL 1399234 (Trademark Tr. & App. Bd.)

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2013 WL 5402083 (Trademark Tr. & App. Bd.)

#### THIS OPINION IS NOT A PRECEDENT OF THE T.T.A.B.

Trademark Trial and Appeal Board

Patent and Trademark Office (P.T.O.)

MANUFACTURERS TECHNICAL INSTITUTES, INC.

v.

PINNACLE COLLEGE, LLC

Opposition No. 91195896 September 4, 2013

\*1 Joan Optican Herman and Cheryl Burbach of Hovey Williams LLP for Manufacturers Technical Institutes, Inc. James Albert Ward, Esq. for Pinnacle College, LLC.

Before Seeherman, Zervas and Bergsman Administrative Trademark Judges Opinion by Zervas Administrative Trademark Judge:

On October 29, 2009, Pinnacle College, LLC ("applicant") filed an application (Serial No. 77860977) for registration of the standard character mark PINNACLE COLLEGE on the Principal Register pursuant to Section 1(a) of the Trademark Act, 15 U.S.C. § 1051(a), for the following International Class 41 services:

Education services, namely, providing live courses and classes in the field of audio recording engineering and audio design for interactive media; Training in the use of audio/video recording and editing equipment; Vocational education in the field of audio recording engineering and audio design.

Applicant claims first use on May 5, 2004 and first use in commerce on May 1, 2008. Applicant entered a disclaimer of the term COLLEGE.

In its second amended notice of opposition, Manufacturers Technical Institutes, Inc. ("opposer") opposes registration of applicant's mark on the ground of likelihood of confusion with its common law mark PINNACLE CAREER INSTITUTE for use in connection with educational services, asserting priority due to use since at least as early as 2002. Opposer also pleads ownership of three intent-to-use applications, filed after applicant filed its application, for the marks PINNACLE NATIONAL COLLEGE, PINNACLE NATIONAL UNIVERSITY, and PINNACLE NATIONAL, all for educational services. Opposer alleges that applicant's mark was cited as a potential bar to registration of all three of opposer's marks.

Applicant in its answer denied the salient allegations of the second amended notice of opposition.

#### The Record

The record includes the pleadings; the file of applicant's involved application; and the trial testimony of the following individuals, with exhibits:

- Jeffrey Freeman, opposer's Chief Executive Officer, Chairman of the Board, and Treasurer;
- Peter Amerio, the director of digital media for PlattForm Advertising, opposer's advertising firm; and

\*2 • Kenneth Years, applicant's founder and Chairman of the Board.

In addition, the record includes (i) opposer's original notice of reliance; (ii) opposer's "corrected notice of reliance"; <sup>5</sup> and (c) applicant's notice of reliance.

# Evidentiary Issues

Opposer objects to the introduction of (i) Exhibits I - M to applicant's notice of reliance which consist of third-party registrations and documents taken from the Office's Trademark Document Retrieval (TDR) database pertaining to those third-party registrations; and (ii) Exhibit N to the same notice of reliance consisting of third-party webpages with marks including the PINNACLE term. According to opposer, the exhibits should be stricken or not considered because they were responsive to one of opposer's requests for production of documents and were produced after discovery closed, and on the eve of applicant's testimony period. Opposer characterizes the exhibits as (i) updated versions of documents that were produced during discovery, which could have been produced with applicant's original document production on October 14, 2011; (ii) new documents regarding marks identified by applicant during the discovery period; <sup>6</sup> and (iii) "entirely new documents about marks that were identified in [opposer's] 500+ page search report that were not part of the record and that were not the subject of trial testimony." Reply at 20. Opposer acknowledges that "it appears these documents were discovered merely as a result of searching the Internet." Brief at 29. <sup>7</sup>

In *Rocket Trademark Pty Ltd. v. Phard S.p.A.*, 98 USPQ2d 1066, 1071-72 (TTAB 2011), the Board addressed a similar situation where the opposer objected to the introduction of exhibits (comprising third-party website materials, a list of registrations taken from the USPTO TESS database, and certified copies of third-party registrations) because these documents were not previously produced in response to opposer's discovery requests:

... it is clear that the objected-to documents were obtained or created by applicant in anticipation of its testimony period and were not responsive documents that were already within its possession or control when applicant was responding to document requests. As Ms. Fuchs testified, she was instructed by counsel for applicant (her employer) to conduct an "online search for the word 'element' with respect to clothing, luggage and paper, and to order products from located websites...." ... She then found the information via the internet and printed out documents that comprise the exhibits or obtained the USPTO-certified copies of registrations.

A party need not investigate third-party use in response to discovery requests, *Sports Authority Michigan Inc. v. PC Authority Inc.*, 63 USPQ2d 1782, 1788 (TTAB 2001) (no obligation to search for third-party uses). Opposer's objection, in essence, is that it was somehow prejudiced by not having the documents produced earlier in response to its discovery requests. However, opposer was not put at a disadvantage. Again, applicant had no duty to conduct an investigation of third-party use during discovery and, certainly, applicant's attempt to present evidence of third-party use of the term ELEMENT should not have come as a surprise because it is common practice to introduce third-party use to demonstrate that a mark is weak and, therefore, entitled to only a narrow scope of protection. The documents introduced as exhibits to Ms. Fuchs' deposition were equally accessible to opposer, i.e., they were publicly available via the internet. Finally, opposer had thirty days between the close of applicant's testimony period and the opening of its rebuttal period to prepare any rebuttal against the evidence of third-party use. Accordingly, opposer's objection to the Fuchs' testimony deposition exhibits on the basis that the documents were not previously produced in response to opposer's discovery requests is overruled.

\*3 The same reasoning applies here. Applicant does not have an obligation to investigate third-party uses in response to discovery requests, and opposer cannot legitimately claim to be surprised by applicant's supplementation and later submission into evidence. Opposer's objection to Exhibits I - N is overruled.

Applicant advanced two evidentiary objections of its own. Applicant objected on the basis of relevance to testimony and exhibits offered by opposer pertaining to alleged vendor confusion at Campus Management (which operates for opposer "a student information system ... the IT backbone behind, you know, a college," 41 TTABVUE 106 (Freeman Dep.), 8 and Plattform Advertising, opposer's advertising firm. According to applicant, the reports of confusion are from vendors, not customers, and hence are irrelevant. We overrule this objection. The evidence goes to the *du Pont* factor of actual confusion. Although evidence of confusion of those who are not consumers of goods or services is generally of limited probative value, see discussion *infra*, we have considered the evidence for whatever probative value it may have.

Applicant also objected to the testimony and exhibits from Mr. Amerio's deposition pertaining to "search engine confusion." Applicant's objection is overruled; whatever the form, potential confusion among consumers is relevant.

## The Parties

The record shows that opposer operates two postsecondary schools under the name PINNACLE CAREER INSTITUTE ("PCI") in Kansas and in Missouri. 41 TTABVUE 15 (Freeman Dep.); 42 TTABVUE 113 (Freeman Dep.). Opposer also offers online courses. 42 TTABVUE at 37, 46, 61, 104, 113 and 242 (Freeman Dep.). Opposer awards degrees and certificates as an assistant in a medical office ("medical assistant" or "Medical Assisting"), and in business administration, medical billing and coding, massage therapy, personal training, wind turbine technician training, health information technology, electronics, HVAC technician training, and information technology. 41 TTABVUE 15 (Freeman Dep.); 42 TTABVUE 60, 244-251 (Freeman Dep.).

Applicant also operates two post-secondary schools, but under the name PINNACLE COLLEGE. Applicant's schools are in California, and offer audio-related courses of study such as recording engineering and audio for games and interactive media. 52 TTABVUE 394-96, 402-16 (Years Dep.).

# Standing

To establish its standing, the plaintiff in a Board *inter partes* proceeding must prove that it has a real interest in the outcome of the proceeding and a reasonable basis for its belief that it would be damaged by issuance of a registration of the mark to applicant. See *Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023 (Fed. Cir. 1999); *Lipton Indus., Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185 (CCPA 1982); *Time Warner Entm't Co. v. Jones*, 65 USPQ2d 1650 (TTAB 2002).

\*4 Opposer has established its standing by, inter alia, its applications for PINNACLE NATIONAL UNIVERSITY, PINNACLE NATIONAL COLLEGE, PINNACLE NATIONAL, and PINNACLE CAREER INSTITUTE, for which the assigned examining attorneys have cited applicant's mark as a potential bar to registration. See *Lipton Indus.*, 213 USPQ at 189 (stating "to have standing in this case, it would be sufficient that appellee prove that it filed an application and that a rejection was made because of appellant's registration ... no more is necessary for standing").

## Priority

Because opposer does not own an extant registration, in order to prevail on a claim under Trademark Act § 2(d), it bears the burden of demonstrating that it has a proprietary interest in a mark acquired through use prior to the earlier of the filing date of applicant's application or applicant's proven date of first use. See *Herbko Int'l Inc. v. Kappa Books Inc.*, 308 F.3d 1156, 64 USPQ2d 1375, 1378 (Fed. Cir. 2002) ("To establish priority, the [plaintiff] must show proprietary rights in the mark that produce a likelihood of confusion .... These proprietary rights may arise from a prior registration, prior trademark or service mark use, prior use as a trade name, prior use analogous to trademark or service mark use, or any other use sufficient to establish proprietary rights."). See also, *Otto Roth & Co., Inc. v. Universal Foods Corp.*, 640 F.2d 1317, 209 USPQ 40, 43 (CCPA 1981); and *Miller Brewing Co. v. Anheuser-Busch Inc.*, 27 USPQ2d 1711, 1714 (TTAB 1993).

Because opposer is relying on its common law rights, the first thing we must decide is whether opposer has a proprietary right in the term PINNACLE CAREER INSTITUTE; that is, whether PINNACLE CAREER INSTITUTE is inherently distinctive or whether it has acquired distinctiveness. Opposer's asserted common-law mark, PINNACLE CAREER INSTITUTE, must be "distinctive," in the sense that it is used as an indicator of source and has at least some inherent or acquired ability to fulfill that function. See *Otto Roth*, 209 USPQ at 44; *Towers v. Advent Software Inc.*, 913 F.2d 942, 16 USPQ2d 1039, 1041 (Fed. Cir. 1990). A party obtains rights in an inherently distinctive term when it first uses it as a trademark; if a mark is not inherently distinctive, its rights accrue at the point that the term acquires distinctiveness as a source indicator. Applicant, referring to opposer's mark and its mark, states at p. 17 of its brief, "Applicant contends that both marks are inherently distinctive and therefore valid." We agree, and treat PINNACLE CAREER INSTITUTE as being inherently distinctive.

\*5 We turn then to the evidence of record to determine whether opposer's first use of its PINNACLE CAREER INSTITUTE mark is prior to any date upon which applicant can rely. In this connection, we note that applicant asserts in its application first use on May 5, 2004.

Opposer must demonstrate continuous prior use by a preponderance of the evidence. *Hydro-Dynamics Inc. v. George Putnam & Co. Inc.*, 811 F.2d 1470, 1 USPQ2d 1772, 1773 (Fed. Cir. 1987). We consider the evidence of priority as a whole. *West Florida Seafood, Inc. v. Jet Rests., Inc.*, 31 F.3d 1122, 31 USPQ2d 1660, 1663 (Fed. Cir. 1994) ("[W]hether a particular piece of evidence by itself establishes prior use is not necessarily dispositive as to whether a party has established prior use by a preponderance. Rather, one should look at the evidence as a whole, as if each piece of evidence were part of a puzzle which, when fitted together, establishes prior use.")

The record reflects that opposer was the owner of two educational institutions, namely, "Electronics Institute" in Missouri and "Lawrence Career College" in Kansas. Opposer started Electronics Institute in 1953, and acquired Lawrence Career College around 2000 - 2002. 41 TTABVUE 17 (Freeman Dep.). According to Mr. Freeman, Electronics Institute changed its name to Pinnacle Career Institute in the fall of 2002, and Lawrence Career College changed its name to Pinnacle Career Institute in January 2003. 41 TTABVUE 22 - 27 (Freeman Dep.). See also, Mr. Freeman's declaration filed in opposition to applicant's summary judgment motion, stating, "Electronics Institute changed its name and trademark to PINNACLE CAREER INSTITUTE in September 2002. Likewise, on February 3, 2003, Lawrence Career College changed its trademark to PINNACLE CAREER INSTITUTE." 40 TTABVUE 147 (Exh. 26 to Freeman Dep.).

Mr. Freeman testified (at 41 TTABVUE 26) that opposer began using the trademark PINNACLE CAREER INSTITUTE as soon as the name change was completed.

Q. So is it accurate to say after reviewing these documents that at least as early as October 2002 Electronics Institute had begun using Pinnacle Career Institute?

A. Yeah. I'd say as -- you know, as early as October of 2002 Manufacturers Technical Institute, Inc., changed from Electronics Institute to Pinnacle Career Institute.

As evidence in support of Mr. Freeman's testimony, opposer submitted the following:

- Letters from Accrediting Commission of Career Schools and Colleges of Technology (an accrediting agency) from September 2002 acknowledging the effective date of the name change from Electronics Institute to PINNACLE CAREER INSTITUTE as of September 19, 2002. 41 TTABVUE 290-91.
- \*6 "Certificate to Operate" issued by the State of Missouri Coordinating Board for Higher Education to PINNACLE CAREER INSTITUTE on October 7, 2002. 41 TTABVUE 297.

- Approval Notice from the United States Department of Education ("DOE") accepting the Electronics Institute's name change to PINNACLE CAREER INSTITUTE as of October 31, 2002, and a DOE student loan approval report printed on that date which refers to the school as PINNACLE CAREER INSTITUTE. 41 TTABVUE 292-95.
- Memorandum on PINNACLE CAREER INSTITUTE letterhead addressed to Tammy Jackson and dated July 2, 2003, stating that Electronics Institute changed its name to PINNACLE CAREER INSTITUTE in October 2002. 41 TTABVUE 296.
- Letter dated January 27, 2003 from Accrediting Council for Independent Colleges and Schools (an accrediting agency) acknowledging the name change from Lawrence Career College to PINNACLE CAREER INSTITUTE. 41 TTABVUE 298.
- Letter dated January 10, 2003 from Kansas Board of Regents approving the name change from Lawrence Career College to PINNACLE CAREER INSTITUTE, effective January 28, 2003. 41 TTABVUE 299.

In addition, Mr. Freeman testified as follows regarding the Kansas campus:

Q. So is it accurate that Lawrence Career College changed its name to Pinnacle Career Institute on January 28th, 2003, or at least as early as that?

...

A. I can't say it happened on that day, but it would have been within, you know, within a 90-day time frame of there, would be my guess.

## 41 TTABVUE 27.

As further evidence of the name change, opposer submitted earlier course catalogs showing the schools' prior names, and later course catalogs showing their new name, PINNACLE CAREER INSTITUTE. Specifically, opposer submitted (i) catalogs for the 2002 - 2003 school year in which its schools were identified as "Electronics Institute," 41 TTABVUE 200 (Freeman Exh. 2, dated January 2002), and "Lawrence Career College" 41 TTABVUE 258 (Freeman Exh. 3 "March 2002 - July 2003"), and (ii) the following course catalogs:

- A PINNACLE CAREER INSTIUTE course catalog dated September 2003 for the Missouri campus. 41 TTABVUE 300 (Freeman Exh. 6). At p. 305, the catalog states, "In September 2002, Electronics Institute changed its name to Pinnacle Career Institute."
- A 2004-2005 PINNACLE CAREER INSTITUTE course catalog for the Kansas campus. 41 TTABVUE 360 (Freeman Exh. 7). At p. 265, the catalog states, "On February 3, 2003 the school name was changed to Pinnacle Career Institute to join with its sister school in Kansas City under the same name." <sup>10</sup>
- A PINNACLE CAREER INSTITUTE course catalog dated January 2005 for the 2005-2006 academic year. 42 TTABVUE 2.
- A PINNACLE CAREER INSTITUTE course catalog dated May 17, 2010 for the 2010-2011 academic year. 42 TTABVUE 36.
- \*7 Applicant argues that opposer's evidence does not show use in commerce or advertising; and that the evidence that opposer relies on to establish its first use date is unclear and inconsistent. Brief at 15, 19-22 ("None were certified by clear and consistent testimony."). We disagree. First, as noted above, it is opposer's burden is to establish priority in accordance with the preponderance of the evidence standard, not a higher standard, namely, clear and convincing evidence. See *Hydro-Dynamics*, 1 USPQ2d at 1773. Second, we consider the evidence as a whole, and take stock of the parties' stipulation as to the authenticity

of particular evidence such as business records, as well as the lack of any objection by applicant to the evidence at the time the evidence was introduced. The record demonstrates to our satisfaction that opposer merged two post-secondary schools into one, and that the two schools changed their names at different times, one in 2002 and one in 2003. 41 TTABVUE 22, 26 - 27 (Freeman Dep.). Approvals were sought and obtained for the name change from government authorities between September 2002 and January 2003. Once opposer obtained authorization for the name change, it then effected the name change by, at least, publishing catalogs with its new name. It evidently did this first in September 2003 in connection with Electronics Institute.

Thus, Mr. Freeman's testimony and the exhibits to his testimony establish by a preponderance of the evidence that opposer first used the PINNACLE CAREER INSTITUTE mark in September 2003. We next identify those specific services in connection with which opposer used its mark.

To identify such services, we consider the course catalogs for 2003 - 2004, Mr. Freeman's testimony and Mr. Freeman's declaration filed in support of applicant's response to applicant's summary judgment motion during this proceeding, submitted during his testimony deposition. They reflect that in connection with the PINNACLE CAREER INSTITUTE mark, opposer offered post-secondary school education services, offering certificates and associate degrees in Applied Science (lasting twenty-one months), Electronics (lasting twelve or fourteen months), computer programming (lasting eighteen months), ""Medical Assistant" (with courses in electrocardiography, basic laboratory testing, insurance billing and coding, patient scheduling and office safety, lasting twelve months) and massage therapy (nine month program). Course offerings for particular certificates are varied; for example, the courses offered for a computer programming associate degree include English grammar, math, computer programming and various computer languages. However, degrees are not offered in English, computer science or mathematics. Tuition for these nine and twelve month programs ranges from ten thousand dollars to about fifteen thousand dollars. 41 TTABVUE 384 (Freeman Dep. Exh 7). In addition, Mr. Freeman described opposer as a "career college." 11

\*8 Upon consideration of the foregoing, we find that opposer has established prior use of PINNACLE CAREER INSTITUTE in connection with non-university post-secondary school educational services in the nature of certificate and degree programs for careers in electronics, computer programming, medical assisting and massage therapy. Opposer has established use of PINNACLE CAREER INSTITUTE for such services in September 2003.

The first use date claimed by applicant is May 5, 2004. Because this date is later than opposer's proven priority date, we need not engage in a discussion of whether applicant has shown such first use, since even if we accept this date, it is subsequent to opposer's first use. We find that opposer has demonstrated priority of use.

## Likelihood of Confusion

Our determination under Section 2(d) is based on an analysis of all of the probative facts in evidence that are relevant to the factors bearing on the issue of likelihood of confusion. *In re E. I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563 (CCPA 1973). See also, *In re Majestic Distilling Co.*, 315 F.3d 1311, 65 USPQ2d 1201 (Fed. Cir. 2003). In any likelihood of confusion analysis, two key considerations are the similarities between the marks and the similarities between the services. See *Federated Foods, Inc. v. Fort Howard Paper Co.*, 544 F.2d 1098, 192 USPQ 24, 29 (CCPA 1976) ("The fundamental inquiry mandated by § 2(d) goes to the cumulative effect of differences in the essential characteristics of the goods and differences in the marks").

## A. The Strength of Opposer's Mark/Number and Nature of Similar Marks in Use on Similar Services

In our analysis, we first consider the strength of opposer's mark, which also involves a consideration of the *du Pont* factor of the use of similar marks for similar services. The strength of a mark is based on both its inherent nature and its use in the marketplace. See *Top Tobacco*, *L.P. v. North Atlantic Operating Co.*, 101 USPQ2d 1163, 1171-72 (TTAB 2011) ("In assessing the overall strength of Top's CLASSIC CANADIAN mark, we consider both its inherent strength based on the nature of the mark itself and its commercial strength, based on the marketplace recognition value of the mark"); *Tea Board of India v. Republic of Tea* 

*Inc.*, 80 USPQ2d 1881, 1898-99 (TTAB 2006) ("In determining the strength of a mark we consider both its inherent strength based on the nature of the mark itself and its market strength.").

"Pinnacle," the first term in opposer's mark, is defined in the online version of *Merriam-Webster Dictionary* as "the highest point of development or achievement: ACME." <sup>12</sup> Thus, in opposer's mark, PINNACLE, when combined with CAREER INSTITUE, has a suggestive connotation, suggesting to consumers that opposer's services will allow the student to attain the highest point of achievement. (CAREER INSTITUTE, which identifies a type of educational institution, is highly descriptive of opposer's services. See discussion, *infra*.).

\*9 Applicant introduced numerous third-party registrations to establish that opposer's mark is weak. Registrations are not evidence of use of the registered marks, and they are not proof that consumers are familiar with the registered marks so as to be accustomed to the existence of the same or similar marks in the marketplace. See *Smith Bros. Mfg. Co. v. Stone Mfg. Co.*, 476 F.2d 1004, 177 USPQ 462 (CCPA 1973); *AMF Inc. v. Am. Leisure Prods., Inc.*, 474 F.2d 1407, 177 USPQ 268 (CCPA 1973); *Richardson-Vicks, Inc. v. Franklin Mint Corp.*, 216 USPQ 989 (TTAB 1982).

Nevertheless, these registrations have some value because they may be used in the manner of a dictionary to show that a mark or a portion of a mark is descriptive or suggestive of goods and services. *In re J. M. Originals Inc.*, 6 USPQ2d 1393, 1394 (TTAB 1988); *In re Imperial Jade Mining, Inc.*, 193 USPQ 725, 726-27 (TTAB (1977). Three of the registrations show use of the word PINNACLE in a phrase or slogan that suggests the quality of the registrants' educational services: CULINAERIE THE PINNACLE OF FOOD & WINE INSTRUCTION; SAN ANTONIO INSTIUTE FOR DENTISTRY - THE PINNACLE OF LEARNING; and PINNACLE OF FITNESS. 50 TTABVUE 65-68, 84-92. Most of the remaining registrations are for marks that use PINNACLE in the same manner as opposer, starting with the term PINNACLE followed by a descriptive or generic term, such as PINNACLE ONLINE HIGH SCHOOL. 50 TTABVUE 44-47, 58-64. The term PINNACLE in these registrations has the same meaning as in opposer's mark and suggests that the student will attain his or her highest point of achievement.

Applicant also introduced evidence exhibiting third-party use of marks including the term PINNACLE, to demonstrate that the PINNACLE component of opposer's mark is weak. <sup>13</sup> Many of such marks are not used with post-secondary school education, and hence are not relevant. The following marks, however, are used in connection with post-secondary school education, or similar education such as job training:

- PINNACLE CAREER CENTERS (www.uscollegesearch.org/astrodome-dental-careercenter.html),
- PINNACLE CAMPUS (www.austincc.edu/pin/),
- PINNACLE INSTITUTE OF COSMETOLOGY (www.pinnacleinstitute.edu),
- PINNACLE AVIATION ACADEMY (www.pinnacleacademy.com), and
- PINNACLE TRAINING AND CONSULTING SYSTEMS, (www.pinnacle-tcs.com).

50 TTABVUE 105, 111-13, 134-36, 236, 242-48 (applicant's notice of reliance). "Evidence of widespread third-party use, in a particular field, of marks containing a certain shared term is competent to suggest that purchasers have been conditioned to look to the other elements of the marks as a means of distinguishing the source of goods or services in the field." *In re Broadway Chicken Inc.*, 38 USPQ2d 1559, 1565-66 (TTAB 1996); see also *America's Best Franchising, Inc. v. Abbott*, 106 USPQ2d 1540, 1549-50 (TTAB 2013) (holding the term PALMS "is used by a number of third parties for hotel services" and therefore "is quite weak as a result of widespread third-party use throughout the country, which significantly minimizes the likelihood of consumer confusion").

\*10 Turning to the commercial strength of opposer's mark, this may be measured indirectly, among other things, by the volume of sales and advertising expenditures for the services traveling under the mark, and by the length of time those indicia of commercial awareness have been evident. The evidence bearing on commercial strength has been designated confidential by opposer, thus we do not identify that evidence. Suffice it to say, the number of students enrolled in opposer's institution is not impressive, and its advertising figures and revenues cannot in general be considered significant; those figures have, until very recently, been relatively low. The evidence does not demonstrate that opposer's mark is strong.

After carefully considering all of the evidence bearing on the strength of opposer's mark, we find that the record reflects (i) that "pinnacle" in the context of postsecondary school education has a suggestive meaning which renders the term inherently weak as a source indicator in the post-secondary education field, (ii) that the public has been exposed to uses by third parties of PINNACLE in connection with other terms as a trademark for postsecondary school educational services, and (iii) opposer's enrollment, revenues and advertising expenditures are not sufficient to establish that the mark is commercially strong. In view thereof, applicant has established that opposer's mark is not entitled to a broad scope of protection, and in fact is a weak mark.

# B. <u>Similarity or Dissimilarity of the Marks in Their Entireties as to Appearance, Sound, Connotation and Commercial Impression</u>

Turning to the *du Pont* factor regarding the similarity or dissimilarity of the marks, we consider the marks in their entireties as to appearance, sound, connotation and commercial impression. *In re Viterra Inc.*, 671 F.3d 1358, 101 USPQ2d 1905, 1908 (Fed. Cir. 2012) (quoting *du Pont*, 177 USPQ at 567). Although one portion of a mark may be given more weight than another, the marks must be compared in their entireties and should not be dissected. *Viterra*, 101 USPQ2d at 1908; *In re Chatam Int'l Inc.*, 380 F.3d 1340, 71 USPQ2d 1944, 1946-47 (Fed. Cir. 2004).

Opposer's mark, PINNACLE CAREER INSTITUTE, and applicant's mark, PINNACLE COLLEGE, each begin with the same term PINNACLE. The remaining terms in the marks differ from one another. "College," the only other term in applicant's mark, is defined as "an educational institution or establishment," especially "a school offering a general liberal arts curriculum leading only to a bachelor's degree." See "Google Dictionary" definition of "college" at 50 TTABVUE 280 (applicant's notice of reliance). In contrast, "career institute," the remaining wording in applicant's mark, refers to an organization having as its goal the education of its clients for a particular occupation. ("Career" is defined as "an occupation undertaken for a significant period of a person's life and with opportunities for progress" and "institute" is defined as an "organization having a particular object or common factor, esp. a scientific, educational, or social one." *Id.* at 284 and 287.) Thus, while "college" generally signifies an institution which grants bachelor's degrees, "career institute" denotes a school focused on teaching job skills or a trade. See *id.*, see also 41 TTABVUE Doc. 38 (Freeman Dep.) ("you have to bring these students in and you have to give them skill sets that employers like and will hire because if you don't get all those steps, that's where it's different than, you know, a traditional college"), 52 TTABVUE 46 - 47 (Years Dep.) (stating that students enrolled in longer programs such as associate's or bachelor's degree programs "want to buy it from a college as opposed to a career institute").

\*11 In arguing that despite the differences in the wording in the marks, the marks are similar, opposer contends that "college" is interchangeable with ""career institute," and that opposer is "consistently identified as a college, belongs to college organizations, and is featured in college publications"; and that it consistently uses permutations of "career institute" as keywords in web advertising, such as "Pinnacle College" and "Pinnacle Career College." Brief at 16 - 17. <sup>14</sup> The ordinary definitions of "college" and "career institute" militate against opposer's argument. Further, to the extent that opposer relies on the testimony of Mr. Amerio, the director of digital media for PlattForm Advertising, opposer's advertising firm, regarding the meaning of "college," he has not been qualified as an expert to render an opinion on the meaning of the term. We do, however, consider his testimony regarding the keywords that opposer uses for Internet searching purposes and the high "clickthrough rate" for those terms, which has been designated confidential. This testimony is not helpful to opposer because it presumes that all who use those search terms are searching for opposer, or an institution which provides services that opposer offers, and does not account for those individuals who are looking for other entities such as applicant. Thus, even though they "click through," they may not be searching for opposer. Further, the overwhelming majority of the documentary evidence in the record

reflects that opposer is generally referred to as a "career college." Mr. Freeman himself stated that a career college is "all education-focused to one objective, which is teaching you the skills to get a job in that field" and, unlike a traditional college, "the difference is you're not taking social studies and you're not taking biology and French and Spanish ... you don't need to do that in four years, you can do that in ten months." See 41 TTABVUE 77, 79 - 80, 82-83, 85 (Freeman Dep.), 43 TTABVUE 81-86 (Freeman Dep.). Therefore, we are not persuaded that consumers will consider or refer to opposer as a "college," using opposer's definition of "college."

In sum, we have found that "pinnacle" is a weak term used in the post-secondary education field, and opposer's mark is a weak mark. In view thereof, and because of the difference in meaning of CAREER INSTITUTE and COLLEGE, we find that CAREER INSTIUTE and COLLEGE distinguish the marks by imparting differing meanings to them, with "college" connoting that the institution grants degrees and "career institute" connoting that the institution teaches job skills. The weakness, and the difference in meaning, outweighs any similarity in the appearance or sound of the marks due to their use of PINNACLE as the first term in each mark.

# C. The Similarity or Dissimilarity of the Services.

\*12 In determining whether parties' services are related, it is not necessary that the services of the parties be similar or competitive in character to support a holding of likelihood of confusion; it is sufficient for such purposes that a party claiming damage establish that the services are related in some manner and/or that conditions and activities surrounding marketing of these services are such that they would or could be encountered by the same persons under circumstances that could, because of similarities of marks used with them, give rise to the mistaken belief that they originate from or are in some way associated with the same source. *Edwards Lifesciences Corp. v. VigiLanz Corp.*, 94 USPQ2d 1399 (TTAB 2010); *Schering Corp. v. Alza Corp.*, 207 USPQ 504 (TTAB 1980); *Oxford Pendaflex Corp. v. Anixter Bros. Inc.*, 201 USPQ 851 (TTAB 1978).

For ease of reference, we repeat the parties' services. Opposer's services (for which it has priority)

non-university post-secondary school educational services in the nature of certificate and degree programs for careers in electronics, computer programming, medical assisting and massage therapy.

# Applicant's services

education services, namely, providing live courses and classes in the field of audio recording engineering and audio design for interactive media; training in the use of audio/video recording and editing equipment; vocational education in the field of audio recording engineering and audio design.

Opposer argues that the services are "identical," stating that both parties "provide educational courses of instruction at the secondary and college level ...." Brief at 17. This argument ignores much of applicant's identification and the fact that opposer has established priority in only limited areas of instruction. Opposer only has priority for instruction in electronics, computer programming, medical assisting and massage therapy and applicant's identification is limited to instruction in the fields of audio recording engineering and audio design for interactive media.

Opposer does not accept this distinction based on the differences in the subject matter of the services, arguing that "[t]his position is inherently flawed," brief at 18; that courses focusing on audio recording engineering and audio design are within the natural zone of expansion for opposer, *id.* at 19; and that Mr. Freeman testified that opposer "very well could offer those types of educational courses." Brief at 11, citing Freeman Dep. at 36. However, he gave no information about any discussions or plans by opposer about offering such courses, or any research by opposer as to when and how it could offer such courses. Additionally, there is no evidence in the record that suggests that institutions offering courses in audio recording engineering

and audio design also offer courses in electronics, computer programming, medical assisting and massage therapy, so that consumers would expect the source of such services to be the same when a similar mark is used on such services. Further, the record reflects that expansion into audio recording engineering education would require a significant capital investment different from other post-secondary education. Mr. Years testified:

\*13 A. When you do a sound program such as Pinnacle College, you've got to have a building that's been vibration isolated so when a bus goes by outside you're not getting reverbs on the pickups. You've got to have big soundboards and you've got to have recording studios, et cetera. So yes, it's unique from the standpoint of a capital investment.

Q. Does the Sound Master program include any information technology or computer coding education?

A. Well, it uses computer technology, but we do not teach any computer programming or - let me be specific. We do not teach how to code a program or how to write a program. We use software programs, but we don't know how to write them, which is different from - typically different from IT training or something like that. But it does use computers extensively.

52 TTABVUE 66 - 67 (Years Dep.). Thus, we are not persuaded by opposer's arguments that the services are "identical" or by Mr. Freeman's testimony that opposer could offer audio recording engineering and audio design courses.

We also find that the evidence is not sufficient to show that computer programming is within "audio design for interactive media." Mr. Freeman testified that the computer programming degrees that opposer offers are "in" "audio design for interactive media." He reasoned, "[w]ell, I mean, you're developing websites. That's -- programming for those. Isn't that visual?" However, he then backed down from this stance, stating:

"Now, I don't know if you're talking about -- can you give me a better definition of audiovisual? I don't know what you guys teach. And if it's real narrow, then I may be able to say, no, I haven't done that. I don't know."

40 TTABVUE 23-24 (Freeman Dep.). <sup>15</sup> We consider this testimony to be a concession that indeed opposer's computer programming educational services are not within applicant's recitation of services. Further, Mr. Years, applicant's founder and Chairman of the Board, notes that applicant does not offer courses in computer programming and, in contrast to opposer's assertions, states that although its audio training uses software, audio engineering is not the same as computer programming. 52 TTABVUE 67 (Years Dep.). Thus, to the extent that opposer maintains that providing degrees in computer programming is within applicant's recitation of services, we disagree.

# D. Similarity or Dissimilarity of Trade Channels and Purchasers

Our starting point in addressing the purchasers and trade channels is applicant's recitation of services, which does not include any limitations regarding trade channels or purchasers for educational services in the field of audio recording engineering and audio design. In the absence of any limitations as to channels of trade or purchasers in the application, the applicant's services are presumed to be offered in all normal channels of trade for such services and to all normal classes of consumers for such services. See *Octocom Sys. Inc. v. Houston Computers Servs. Inc.*, 918 F.2d 937, 16 USPQ2d 1783, 1787 (Fed. Cir. 1990). Opposer states that it markets its services through newspapers, television, radio, its website, third-party websites, career fairs, high school recruitment programs and college fairs. 41 TTABVUE 49 - 50 (Freeman Dep.). Applicant's recitation of services is broad enough to include these marketing channels, and indeed includes such marketing channels. 52 TTABVUE 95 - 97 (Years Dep.). The trade channels thus overlap.

\*14 Applicant argues that the trade channels are distinct, because its services are marketed primarily in California and opposer markets its services primarily in Kansas City. Brief at 47. Because applicant seeks a registration which is not restricted

geographically, this argument is irrelevant. Further, opposer's witness Peter Amerio testified that opposer advertises online nationwide, and its top leads come from across the country, including California. See 48 TTABVUE 44 and 45 (Amerio Dep.).

As for opposer's and applicant's purchasers, students for both programs are obviously people seeking higher education. Mr. Freeman identified opposer's purchasers as male or female students who have a high school diploma or a graduate equivalency degree ("GED"). Freeman 41 at 39 - 40. However, as opposer recognizes at p. 19 of its brief, not all high school and GED graduates are consumers of both parties' services; opposer states that opposer's services are offered "to a potentially broader group of persons due to its diverse educational courses." We agree that opposer's services are offered to a broader group of persons, and add that opposer has not demonstrated that the same students will consider pursuing education in the fields in which opposer has priority for its services and also consider pursuing higher education in the field of audio recording engineering and audio design. There is no apparent reason why GED and high school graduates who seek an education in audio engineering will consider schools which offer courses in fields such as those offered by opposer, and vice versa. It is theoretically possible that a high school graduate or about-to-be graduate, who is unsure of his or her educational plans, could consider a variety of careers and educational institutions. However, we are not concerned with theoretical possibilities; there must be some evidence that students would be considering both the educational options offered by opposer and those offered by applicant, and as a result would encounter both parties' offerings under circumstances that would cause them to believe that they emanate from the same source. Opposer has failed to demonstrate this.

# E. Purchaser Care and Sophistication

Opposer maintains that the relevant purchasers are not sophisticated; and that "[o]nly a low level of sophistication is required by individual consumers in finding the parties online." Brief at 19. The question of how difficult it is to find something online is not particularly relevant to the issue of consumer sophistication, which generally involves particular knowledge or expertise of consumers about the services themselves. With respect to this, opposer has not submitted any evidence regarding consumer sophistication, and applicant has not addressed consumer sophistication. The issue of consumer sophistication is therefore neutral in our analysis.

\*15 The more relevant question in this case, however, is the level of care of the relevant purchasers when they make purchasing decisions in connection with those services offered by opposer and applicant. Source confusion is less likely when services are relatively high-priced, as consumers are more likely to research the source of such services. See *Electronic Design & Sales, Inc. v. Electronic Data Systems Corp.*, 954 F.2d 713, 21 USPQ2d 1388, 1392 (Fed. Cir. 1992), citing *Astra Pharmaceutical Prods., Inc. v. Beckman Instruments, Inc.*, 718 F.2d 1201, 220 USPQ 786, 790 (1 st Cir. 1983)("There is always less likelihood of confusion where goods are expensive and purchased after careful consideration."); *In re Martin's Famous Pastry Shoppe, Inc.*, 748 F.2d 1565, 223 USPQ 1289, 1290 (Fed. Cir. 1984) (holding purchasers of relatively inexpensive products "have long been held to a lesser standard of purchasing care" than buyers of expensive items).

Opposer's 2003 course catalog made of record reflects that tuition and expenses range from \$11,698 to \$19,950, see 41 TTABVUE 356 (Freeman Dep.), and in the more recent 2010 catalog range from \$14,600 to \$26,982. 42 TTABVUE 239 - 40 (Freeman Dep.). Applicant's 2005 school catalog reflects that tuition and expenses for the Recording Engineer Program is \$9,875,52 TTABVUE 233 (Years Dep.). Its 2010 school catalogs reflect that tuition and expenses is \$18,295 for the Recording Engineer program and \$38,195 for the Audio for Games & Interactive Media program. 52 TTABVUE 420 - 421 (Years Dep.). In view of such expenses for the parties' educational services, we agree with applicant's contention that consumers will exercise a considerable degree of care.

## F. Actual Confusion

Opposer maintains that there has been actual confusion between applicant and opposer. Specifically, opposer maintains that (i) "online users are being misdirected to Applicant's website when searching for Pinnacle," reply brief at 11; (ii) that "Campus Care Services, Pinnacle's vendor for Campus VUE software, has mistakenly confused the affiliation and association of Applicant

with Pinnacle's PINNACLE CAREER INSTITUTE mark on more than one occasion by including information belonging to Applicant on Pinnacle's invoices," brief at 32; and (iii) that PlattForm Advertising, Inc. has provided online advertising and search engine optimization services for both opposer and applicant and that "PlattForm has made account errors due to the fact that both parties use a similar trademark." Brief at 32.

We disagree with opposer's characterization that the three occasions amount to actual confusion. Opposer has not established that the online users are being "misdirected." As Mr. Amerio acknowledged at 47 TTABVUE 37 (Amerio Dep.), those searching the Internet are considering a variety of information when deciding to remain on a website they have clicked on; their Internet searches are not limited to trademark considerations.

\*16 As far as the information included on invoices by Campus Care Services and the "account errors" by PlattForm, it appears that any confusion between the parties was based on internal codes utilized by the vendors, not on the use of the marks PINNACLE COLLEGE or PINNACLE CAREER INSTITUTE. 41 TTABVUE 105 (Freeman Deposition). In addition, we cannot discount the possibility that the errors were made due to inattention by their staffs, or insufficient training or other reasons unrelated to trademarks. Further, as applicant points out, the individuals responsible for these actions are not consumers of the parties' services.

## G. Balancing the du Pont Factors

Upon consideration of the foregoing, we find that opposer has <u>not</u> established that there is a likelihood of confusion between opposer's mark for those services for which it has established priority and applicant's mark for the services set forth in its application. Opposer's mark is entitled to a narrow scope of protection because of the weakness of the term PINNACLE and the highly descriptive nature of the remaining terms in the mark. The different wording in the marks distinguishes the marks, and the prospective purchasers of each party's services are different. Moreover, purchasers will exercise care in selecting and purchasing the services, in light of the cost thereof. These factors outweigh the similarity in trade channels of the services. To the extent any other factors are relevant, we treat them as neutral.

Opposer maintains that any doubt on the question of likelihood of confusion should be resolved in its favor. We have no doubt that confusion is <u>not</u> likely in this instance.

# **DECISION:** The opposition is dismissed.

#### Footnotes

- 1 Application Serial No. 77869605 (filed November 10, 2009) disclaims the exclusive right to use NATIONAL COLLEGE.
- 2 Application Serial No. 77869598 (filed November 10, 2009) disclaims the exclusive right to use NATIONAL UNIVERSITY.
- 3 Application Serial No. 85221235 (filed January 19, 2011) disclaims the exclusive right to use NATIONAL.
- In addition, opposer alleges that the marks of the pending applications are "legally equivalent to Opposer's PINNACLE CAREER INSTITUTE mark for the purposes of tacking Opposer's prior use of Opposer's PINNACLE CAREER INSTITUTE onto the use of the pending marks." On September 22, 2011, the Board granted applicant's summary judgment motion on the question of tacking and found that tacking based on these three marks was impermissible. Hence, opposer cannot tack its use of PINNACLE CAREER INSTITUTE onto these three marks.
- Opposer submitted the corrected notice of reliance because several pages in the original notice of reliance "did not match up to the referenced citations." All of the exhibits in the corrected notice of reliance were referenced in the original notice of reliance.
- For example, applicant produced an updated web page from a website, and added an "entirely" new web page from the same website, which was not produced during discovery.
- Applicant's motion to strike a declaration submitted with opposer's reply brief pertaining to opposer's evidentiary objection is denied, as the declaration pertains to an evidentiary objection, and not to the merits of the proceeding.
- 8 Citations to the record are to the TTABVUE entry number listed in the proceeding, followed by the TTABVUE page number.

  TTABVUE is the USPTO database containing electronic records of Board proceedings, with each inter partes proceeding identified

- by opposition or cancellation number. The Board prefers citations to TTABVUE (for other than confidential documents) because the Board primarily uses TTABVUE.
- 9 The declaration from the summary judgment motion was submitted as an exhibit to Mr. Freeman's testimony deposition, at which he verified the pertinent statements in the declaration.
- Lest there be any doubt, we do not rely on the statements in the 2003 2004 catalogs regarding the history of the school for the truth of the assertion that indeed the name was changed on the stated dates, but on the fact that they appeared in the catalogs.
- 11 Mr. Freeman testified as to what a "career college" is at 41 TTABVUE 83-84:
  - Q. What is your understanding of what a career college is?
  - A. You know, again, I think, you know, just about every college in this sector is a career college because -- you know, the difference is you're not taking social studies and you're not taking biology and French and Spanish. I mean, it's all education-focused to one objective, which is teaching you the skills to get a job in that field. So, you know, to shorten it down, you don't need to do that in four years, you can do that in ten months, maybe, or you can do it in two years if, you know, it's at the associate level. That's what a career college is.
- The Board may take judicial notice of dictionary definitions, *Univ. of Notre Dame du Lac v. J.C. Gourmet Food Imp. Co.*, 213 USPQ 594 (TTAB 1982), *aff'd*, 703 F.2d 1372, 217 USPQ 505 (Fed. Cir. 1983), including online dictionaries that exist in printed format or have regular fixed editions. *In re Red Bull GmbH*, 78 USPQ2d 1375, 1378 (TTAB 2006).
- Several websites identify marks or services that are too far removed from applicant's or opposer's marks or services to be probative of any weakness of opposer's mark. For example, PINNACLE in PINNACLE CANYON ACADEMY and PINNACLE PEAK ELEMENTARY SCHOOL is geographic in nature, and the marks PINNACLE for magazines and PINNACLE SUITE for software are in fields far removed from educational services.
- Mr. Freeman's testimony that opposer's students refer to opposer as a ""college" is hearsay, and has not been given any probative weight.
- This testimony was designated confidential, but we have repeated it because in our view there is nothing of a confidential nature in it. 2013 WL 5402083 (Trademark Tr. & App. Bd.)

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# 2002 WL 745583 (Trademark Tr. & App. Bd.)

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Trademark Trial and Appeal Board

Patent and Trademark Office (P.T.O.)

MCB, INC.

v.

FASHION EXP. (TAIWAN) CO., LTD.

Cancellation No. 29,940 April 25, 2002

\*1 Deanna Lyn Kwan of Wasserman, Comden & Casselman for MCB, Inc. William W. Lai of the Law Offices of Albert J.C. Chang for Fashion Exp. (Taiwan) Co., Ltd.

Before Simms, Quinn and Drost Administrative Trademark Judges Opinion by Quinn Administrative Trademark Judge

MCB, Inc., doing business as Wild Rose, has petitioned to cancel the registration owned by Fashion Exp. (Taiwan) Co., Ltd. for the mark WILD ROSE (in typed form) for "men's, women's and children's active, sport, casual, work and formal dress footwear, and boots." As grounds for cancellation, petitioner alleges that there is a likelihood of confusion under Section 2(d) of the Trademark Act. More specifically, petitioner asserts that respondent's mark, when applied to respondent's goods, so resembles petitioner's previously used trade name and trademark WILD ROSE for women's apparel, namely, jackets, vests, shirts, blouses, t-shirts, pants, shorts, skorts, suits and dresses as to be likely to cause confusion.

Respondent, in its answer, has denied the allegations of the petition for cancellation. Respondent has set forth two "affirmative defenses" wherein respondent amplified its denial of likelihood of confusion.

The record consists of the pleadings; the file of the involved registration; a declaration of Ben Altshuler, an officer of petitioner, <sup>2</sup> and a memo from him, <sup>3</sup> various advertisements, <sup>4</sup> respondent's responses to discovery requests, <sup>5</sup> official records, including a certified copy of petitioner's now-expired prior registration, and assignments relating thereto, <sup>6</sup> and petitioner's responses to discovery requests, <sup>7</sup> all listed in petitioner's notices of reliance (the three notices were filed on the same day, January 19, 2001); a copy of a letter between counsel, <sup>8</sup> petitioner's additional responses to discovery requests, <sup>9</sup> and respondent's responses to production requests, <sup>10</sup> all listed in respondent's notice of reliance. The parties filed briefs. An oral hearing was requested, but the request subsequently was withdrawn by the mutual agreement of the parties.

# **PRIORITY**

In our determination of priority of use, we need to address, at the outset, two of the arguments untimely raised by respondent. In defending against petitioner's claim of priority, respondent raises, for the first time in its brief, an affirmative defense of laches and an allegation that petitioner's mark has been abandoned. Petitioner contends, in its reply brief, that respondent's assertions are untimely inasmuch as respondent neither raised the matters in the answer, nor ever made an attempt to amend the answer to include these assertions as defenses.

Petitioner's objections are well taken. An answer should include any defenses which the defendant may have to the claim asserted by the plaintiff. Trademark Rule 2.114(b)(1); and Fed. R. Civ. P. 8(b). Such defenses include laches and, in the context herein of disputing petitioner's common law priority claim, abandonment. In the present case, the defenses were not raised in the answer. Moreover, even at the end of petitioner's case-in-chief testimony period, the answer was never amended to include the defenses. Specifically with respect to priority, respondent was obligated, after petitioner completed its testimony, to at least amend its pleading (e.g. to assert that the pleaded mark was abandoned) to put petitioner on notice that there were perceived problems with petitioner's claim of prior and continuous use. However, it was not until the briefing stage that respondent raised any problems with petitioner's priority claim. Until this late juncture, petitioner had no formal notice that respondent viewed the use as anything but prior and continuous. <sup>11</sup>

\*2 Accordingly, petitioner was never put on notice that these defenses would be raised against it. To consider the defenses at this late juncture unduly prejudices petitioner who did not have fair notice of the bases for the defenses. Further, given the way this case was litigated, the defenses certainly were never tried by the parties, either expressly or impliedly, as provided by Fed. R. Civ. P. 15(b).

In view of the above, respondent's defenses of laches and abandonment have been untimely raised and will not be considered.

Turning now to the merits of petitioner's priority claim, of record is the declaration of Benjamin Altshuler, one of petitioner's officers. Mr. Altshuler states, in pertinent part, that petitioner's trade name and mark WILD ROSE has been in continuous use in connection with women's clothing since 1983. Mr. Altshuler further stated that petitioner's clothing has been "favorably received in the marketplace." Also of record are invoices showing use of WILD ROSE (in script form) as a trade name. One invoice for each of the years 1985-2000 (except 1994) has been submitted, with the customers' names and addresses, units shipped and prices redacted. Various advertisements for petitioner's WILD ROSE brand of women's clothing have been submitted. The advertisements have been run by retailers, including Macy's, Robinson's, and Gantos. The record also includes a hang tag and a label showing use of the mark WILD ROSE (in script form). In his declaration, Mr. Altshuler indicated that petitioner's corporate policy is to destroy corporate documents after 7 years.

Respondent's registration is, of course, of record; it bears a filing date of May 31, 1994, and claims first use on January 1, 1985 (the registration issued on January 23, 1996). Of record are product catalogs for the years 1996-2000. Respondent's responses to interrogatories also are of record. The responses reveal that respondent obtained the involved registration by assignment on April 16, 1996; the earliest date of use set forth by respondent in the responses is April 16, 1996 (interrogatory no. 11).

Insofar as respondent's first use is concerned, respondent indicates that it commenced use when it obtained the involved registration on April 16, 1996. In any event, in the absence of testimony or other evidence, the filing date of the involved registration (i.e., May 31, 1994) is the earliest date upon which respondent could rely. See: Lone Star Mfg. Co., Inc. v. Bill Beasley, Inc., 498 F.2d 906, 182 USPQ 368, 369 (CCPA 1974).

Because WILD ROSE is an inherently distinctive mark for women's clothing, petitioner has established trademark rights in WILD ROSE for women's clothing with its earliest uses of the mark which, according to the uncontradicted statements of Mr. Altshuler, date back to February 1, 1983. In addition, the invoices, which show trade name use, also support petitioner's priority. The evidence is sufficient for purposes of proving petitioner's priority in this case.

## LIKELIHOOD OF CONFUSION

\*3 The parties' arguments can be easily summarized. Petitioner maintains that the marks are identical, and that petitioner's women's clothing and respondent's women's footwear are closely related. With respect to the goods, petitioner argues that clothing and shoes are complementary items, often purchased in the same shopping trip in the same store.

Respondent contends, on the other hand, that the goods are "dissimilar and substantially unrelated." Respondent also asserts that the goods are sold in different trade channels and to different classes of purchasers. Respondent states that it sells its footwear to distributors who are sophisticated purchasers.

Our determination under Section 2(d) is based on an analysis of all of the facts in evidence that are relevant to the factors bearing on the likelihood of confusion issue. In re E. I. du Pont de Nemours & Co., 476 F.2d 1357, 177 USPQ 563 (CCPA 1973). In any likelihood of confusion analysis, two key considerations are the similarities or dissimilarities between the marks and the similarities or dissimilarities between the goods. Federated Foods, Inc. v. Fort Howard Paper Co., 544 F.2d 1098, 192 USPQ 24 (CCPA 1976).

The evidence of record shows use of WILD ROSE by petitioner in script form as indicated above. The use of WILD ROSE as a trade name on the invoices and as a trademark on the labels and hangtags (see petitioner's response to document request no. 10) is in script form. The use of WILD ROSE in typed form appears in the body of the invoices. Petitioner's mark is essentially identical to respondent's mark. In typed form, the marks are identical in every respect. In comparing petitioner's mark in script form with respondent's typed mark, the marks remain identical in sound and meaning, with some difference, albeit very slight, in appearance.

In view of the above, the parties have spent little time in discussing the marks, but rather have concentrated their briefing efforts on comparing the goods sold under the marks. With respect to the goods, we recognize, at the outset, that there is no per se rule governing likelihood of confusion in cases involving clothing and footwear. Nonetheless, petitioner's women's clothing and respondent's women's footwear are "all articles of apparel which would normally be marketed through the same class of retail merchants to the same class of purchasers." Chaussures Bally Societe Anonyme de Fabrication v. Fritzi of California, Inc., 144 USPQ 609, 610 (TTAB 1965) [use of BALLY and VALLI on wearing apparel and on boots is likely to cause confusion]. See also: General Shoe Corp. v. Hollywood-Maxwell Co., 277 F.2d 169, 125 USPQ 443 (CCPA 1960) [use of same mark on shoes and hosiery and on brassieres likely to cause confusion]; General Shoe Corp. v. Lerner Bros. Mfg. Co., Inc., 254 F.2d 154, 117 USPO 281 (CCPA 1958) [use of same mark on men's boots and shoes and on men's sport shirts likely to cause confusion]; In re Kangaroos, U.S.A., 223 USPQ 1025 (TTAB 1984) [use of same mark on athletic shoes and on men's shirts likely to cause confusion]; B. Rich's Sons, Inc. v. Frieda Originals, Inc., 176 USPQ 284 (TTAB 1972) [use of similar marks on women's knitted dresses, suits, skirts and blouses and on shoes is likely to cause confusion]; In re United States Rubber Co., 155 USPQ 595 (TTAB 1967) [use of same mark on shoes and on shorts likely to cause confusion]; and Shoe Corporation of America v. Petite Miss Co., 133 USPQ 215 (TTAB 1962) [use of same mark on shoes and on women's coats likely to cause confusion]. Further, in cases such as this where arbitrary marks are essentially identical, the relationship between the goods on which the parties use their marks need not be as close as in the situation where the marks are not so similar. Amcor, Inc. v. Amcor Industries, Inc., 210 USPQ 70, 78 (TTAB 1981). See also: In re Shell Oil Co., 992 F.2d 1204, 26 USPQ2d 1687, 1689 (Fed. Cir. 1993).

\*4 As articulated in some of the cited cases, women's clothing and women's footwear are viewed as complementary fashion items. Clothing and footwear are often bought on the same shopping trip, in the same store (albeit in different departments of the store), and by the same purchaser to complete an ensemble.

In the absence of any specific limitation in respondent's registration, we must assume that respondent's women's footwear travels in the usual channels of trade for such goods. In re Apparel Ventures, Inc., 229 USPQ 225 (TTAB 1986). Thus, the differences in trade channels pointed to by respondent are of no moment. Normal channels of trade for women's footwear would include retail stores, that is, the same type of trade channel wherein petitioner's women's clothing would appear to be ultimately sold. <sup>12</sup> As to classes of purchasers, the same ones would purchase at retail both women's clothing and women's footwear.

We conclude that consumers familiar with petitioner's women's clothing sold under the previously used trade name and trademark WILD ROSE (in script form) would be likely to believe, upon encountering respondent's mark WILD ROSE for women's footwear, that the goods originated with or were somehow associated with or sponsored by the same entity.

Decision: The petition for cancellation is granted, and Registration No. 1,950,224 will be canceled in due course.

#### Footnotes

- 1 Registration No. 1,950,224, issued January 23, 1996; Section 8 affidavit filed and accepted.
- Trademark Rule 2.123(b) provides that testimony may be submitted by way of affidavit or declaration, but only by written agreement of the parties. In the present case, the declaration was not accompanied by any written agreement. Respondent subsequently made, however, the following statement at the conclusion of its notice of reliance: "Respondent Fashion shall also rely upon the documents noticed by Petitioner on January 18, 2001." Notwithstanding this remark, respondent, for the first time in its brief on the case, raised an objection to the declaration, relying on Trademark Rule 2.123(b) and the absence, in its mind, of a written agreement to allow the testimony to be filed in declaration form. Respondent argues at some length that its statement in its notice of reliance does not serve as a written stipulation, and that it would not stipulate to such form of testimony without the right to cross-examine the deponent. We find respondent's statement in its notice of reliance to be clear and unambiguous. For whatever reasons, respondent indicated that it would rely on the evidence listed in petitioner's notices of reliance, and never even hinted that there was a problem with the submission. Accordingly, we construe respondent's statement in its notice of reliance to be a written stipulation to the submission of Mr. Altshuler's testimony in declaration form.
- This evidence is not proper subject matter for a notice of reliance, but, in view of respondent's statement in the nature of a written stipulation, and respondent's failure to object to the improper submission, the evidence is of record.
- 4 Although some of these materials appear to be from printed publications, the notice of reliance does not specify the printed publication or otherwise conform with Trademark Rule 2.122(e). In view of respondent's statement, and respondent's failure to object to this evidence, it forms part of the record.
- The responses include ones made relative to petitioner's production requests. Documents produced in response to production requests are not proper subject matter for a notice of reliance, except to the extent indicated in Trademark Rule 2.122(e). See TBMP § 711. These documents, however, have been considered in view of respondent's statement and its failure to make any objection to the improper submission.
- This evidence shows that petitioner's predecessor obtained Registration No. 1,284,407 on July 3, 1984 for the mark WILD ROSE for "women's clothing, namely, dresses and suits," claiming a date of first use anywhere and first use in commerce of February 1, 1983. The registration was canceled for failure to file a Section 8 affidavit.
- Ordinarily, an answer to an interrogatory may be submitted and made part of the record by only the inquiring party. In this case, respondent's statement as well as its failure to object thereto warrant consideration of this evidence in spite of the improper submission.
- 8 Correspondence between counsel is not proper subject matter for a notice of reliance. Petitioner, however, made no objection thereto, and we have considered it to be of record.
- The responses include documents submitted in response to production requests. As indicated earlier, such evidence is not proper for introduction by way of a notice of reliance. Petitioner made no objection thereto, and the evidence has been considered.
- As pointed out earlier, reliance on one's own discovery responses is improper. However, in view of petitioner's failure to object thereto, the evidence has been considered.
- The correspondence between counsel (specifically, respondent's letter dated January 18, 2001) does not excuse the failure to amend the answer. Further, to the extent that respondent viewed petitioner's discovery responses as deficient, the matter was never brought to the Board's attention by a motion to compel as provided by Trademark Rule 2.120(e).
- Petitioner's clothing initially is sold in its own showroom at wholesale. The clothing is then sold to retail outlets wherein the goods are ultimately purchased by consumers.

2002 WL 745583 (Trademark Tr. & App. Bd.)

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2013 WL 223400 (Trademark Tr. & App. Bd.)

#### THIS OPINION IS NOT A PRECEDENT OF THE TTAB

Trademark Trial and Appeal Board

Patent and Trademark Office (P.T.O.)

MCNEIL-PPC, INC. v.

WALGREEN CO.

Opposition No. 91184978 to application Serial No. 76682070 January 22, 2013 filed on September 19, 2007

\*1 James D. Weinberger, Laura Popp-Rosenberg and Giselle C. Woo of Fross Zelnick Lehrman & Zissu PC for McNeil-PPC, Inc.

Mark J. Liss, Caroline L. Stevens and Michelle L. Calkins of Leydig Voit & Mayer Ltd. for Walgreen Co.

Before Zervas, Kuhlke and Mermelstein Administrative Trademark Judges Opinion by Kuhlke Administrative Trademark Judge:

Applicant, Walgreen Co., seeks registration on the Principal Register of the mark WAL-ZYR in standard characters for goods identified as "pharmaceuticals, namely, allergy medications" in International Class 5. <sup>1</sup>

Opposer, McNeil-PC, Inc., has opposed registration of applicant's mark on the ground that, as used with applicant's goods, the mark so resembles the previously used mark ZYRTEC for allergy medications as to be "likely to cause confusion, cause mistake or deceive consumers and cause them to believe that the goods offered under Applicant's WAL-ZYR mark emanate from, or are sponsored by, manufactured by, endorsed by or otherwise connected with Opposer, in violation of Lanham Act Section 2(d), 15 U.S.C. § 1052(d)." Not. of Opp. ¶ 25. In support of this claim, opposer alleges, inter alia, that UCB Pharma, S.A. owns a registration for the mark ZYRTEC, that a prior licensee, opposer's predecessor, used the mark in connection with allergy medications since 1996 on a prescription basis and opposer is currently the exclusive licensee in the United States to use the mark ZYRTEC in connection with allergy medications, now offered over the counter (OTC).

In addition, opposer asserts a claim of dilution in that "use of WAL-ZYR by Applicant will cause dilution of the distinctive quality of the famous ZYRTEC mark, in violation of Section 43(c) of the Lanham Act, 15 U.S.C. § 1125(c)(1)." Not. of Opp. ¶ 30.

Applicant filed an answer by which it admitted that it markets its product next to or in close proximity to opposer's product on applicant's shelves, and that it sold ZYRTEC in its retail pharmacies since about when the product was first available. Applicant otherwise denied the remaining salient allegations. <sup>2</sup>

## EVIDENTIARY OBJECTIONS/RECORD

\*2 We begin by addressing the parties' respective evidentiary objections. Opposer seeks to exclude the testimony of Dr. Alex Simonson, applicant's survey expert, and accompanying report because of several alleged flaws in the survey. Specifically, opposer asserts that the survey: (1) did not capture the correct universe of respondents in that only 15% of the survey respondents

were women in the 35-49 age range with no indication as to whether they have children, even though that is "the typical over-the-counter allergy medication purchaser"; <sup>3</sup> (2) used an inappropriate control because the control mark WAL-ZEE "emphasizes 'Z,' which is a portion of both the ZYRTEC and the WAL-ZYR mark, and could itself be a source of confusion, including since advertising for the Zyrtec product has emphasized the 'Z' portion of the mark"; <sup>4</sup> (3) only tested for confusion as to which company "makes or puts out" the product and as to confusion based on some undefined "affiliation or association" but did not test for all types of likely confusion present in the case (e.g., confusion of the marks, confusion as to source of active ingredient); <sup>5</sup> (4) was administered improperly inasmuch as it was not known whether interviewers were affirmatively instructed not to probe or exhaust possible responses and at least in one case the respondent incorrectly recorded a control cell as a test cell response; <sup>6</sup> (5) may have been conducted near a Walgreens store (it was not explicitly stated whether or not a Walgreens was nearby) which could skew the results inasmuch the universe of respondents would consist of a high number of Walgreens customers; (6) included confusing compound questions and open-ended questions without clear instructions for follow-up; (7) did not include unredacted certification pages making it impossible to know whether the interview certification process was completed; (8) had incomplete verification of respondents (only 66%); and (9) was inaccurately analyzed because it does not show which responses were counted as confused (i.e., the expert did not show his work), and the responses were analyzed inconsistently.

Applicant argues that opposer does not challenge Dr. Simonson's qualifications, and the survey and report stand "unrebutted by anyone qualified or educated in the field" inasmuch as opposer did not retain a professional to either conduct their own survey or critique applicant's survey. <sup>7</sup>

Opposer's objections address the weight to be given the survey and do not merit exclusion of the survey. In view thereof, we find the survey admissible, and its probative value is discussed infra.

In addition, opposer objects to certain portions of Mr. Tompkins' testimonial deposition and certain exhibits. Specifically, Exhibit 19 is a collection of circular advertising inserts. Opposer objects that Mr. Tompkins did not properly authenticate the pages because he did not state for certain that they were true and correct copies but rather only that he believed them to be so. However, as applicant states because opposer did not raise this objection at the deposition is it waived. Rocket Trademarks Pty Ltd. v. Phard S.p.A., 98 USPQ2d 1066, 1070 (TTAB 2011).

\*3 Further, opposer objects that Mr. Tompkins did not compile the reports of customer comments in Exhibits 23-25 and does not know if they represent every record with comments on WAL-ZYR and whether whoever did create the compilation searched for comments on ZYRTEC or only WAL-ZYR. However, again these objections, which really to go authentication, were not made during the deposition and are considered waived. As to the problems pointed out by opposer, we have taken them into account in evaluating the probative value of the compilations.

Applicant objects to the declaration of Giselle Woo and accompanying exhibits, which consist of brief excerpts of the results from a search of the Westlaw database for references to the mark ZYRTEC in U.S. media. While we agree that their probative value is limited by the fact that they are simply search result excerpts, In re Bayer Aktiengesellschaft, 82 USPQ2d 1828, 1833 (Fed. Cir. 2007), we do not strike the declaration or the exhibits from the record inasmuch as they were properly made of record. Gen. Motors Corp. v. Aristide & Co., 87 USPQ2d 1179, 1183 (TTAB 2008).

With regard to applicant's renewed objections pertaining to documents produced after the close of discovery, that objection was already denied by Board order on May 6, 2011, and we do not disturb that order.

The record consists of: (1) the subject application file and pleadings; (2) testimony deposition with exhibits of Rohinish Hooda, Vice-President of U.S. Sales and Marketing for Ethicon, Inc., a subsidiary of Johnson & Johnson, opposer's parent company (Hooda Test.); (3) trial declaration by stipulation with exhibits of Giselle C. Woo, opposer's outside counsel; (4) discovery deposition by stipulation with exhibits, of James Donahue, Director of Media Team, Pfizer, Inc.; (5) opposer's Notices of

Reliance on printed publications, applicant's discovery deposition testimony, applicant's discovery responses, Internet material and official records; (6) testimony deposition of Robert Tompkins, General Merchandise Manager of Health and Wellness for applicant (Tompkins Test.); (7) expert testimony by affidavit (on stipulation) with exhibits of Dr. Alex Simonson, President of Simonson Associates, Inc. (Simonson Test.); and (8) applicant's Notices of Reliance on discovery depositions, opposer's discovery responses and official records.

## THE PARTIES

Opposer is the current exclusive licensee permitted to sell ZYRTEC branded OTC allergy medication in the United States. <sup>8</sup> From 1996-2007, ZYRTEC branded medications were sold on a prescription basis by a third party, Pfizer and its subsidiaries, under an exclusive licensing arrangement with UCB, Inc. and UCB Pharma, S.A., the owner of the ZYRTEC registration. <sup>9</sup> In 2006-2007, opposer's parent company, Johnson & Johnson, purchased Pfizer's Consumer Healthcare business which included the ZYRTEC brand. <sup>10</sup>

\*4 Applicant is a nationwide drugstore with approximately 800 drugstores across the United States. <sup>11</sup> Its stores offer a variety of beauty products, food products, OTC medications and prescription medications. <sup>12</sup> Applicant "sells many private label or store brand equivalents of brand name [OTC] medicines." App. Br. p. 9. Many of its private label products begin with "WAL-" and end with either a portion of the generic name of the drug (WAL-PROFEN), the end of a brand name (WAL-DRYL), or, as in a couple of instances, the beginning of the brand name (WAL-DRAM, WAL-ZAN). <sup>13</sup> Over many years applicant has sold a substantial amount of a variety of private label "WAL-" branded products.

## PRIORITY/STANDING

Opposer, as the licensee and not the owner of the pleaded registration, must prove its common law rights prior to applicant's priority date. Hydro-Dynamics Inc. v. George Putnum and Company Inc., 811 F.2d 1470, 1 USPQ2d 1772, 1773 (Fed. Cir. 1987). "Under the rule of Otto Roth, a party opposing registration of a trademark due to a likelihood of confusion with his own unregistered term cannot prevail unless he shows by a preponderance of the evidence that his term is distinctive of his goods, whether inherently or through the acquisition of secondary meaning or through 'whatever other type of use may have developed a trade identity." Towers v. Advent Software Inc., 913 F.2d 942, 16 USPQ2d 1039, 1041 (Fed. Cir. 1990), citing Otto Roth & Co. v. Universal Food Corp., 640 F.2d 1317, 209 USPQ 40, 43 (CCPA 1981). Thus, in order to prevail, opposer must establish that it acquired trademark rights in the ZYRTEC mark, that the mark is distinctive, either inherently or through acquired distinctiveness, and that its use predates applicant's first actual or constructive use. Applicant relies on the filing date of the pending application; thus, opposer must establish use prior to applicant's constructive use date of September 9, 2007.

We find that opposer has established its priority. The record shows that opposer's predecessor used the mark ZYRTEC for the same goods beginning in 1996. <sup>14</sup> The sales of these goods were by prescription. Opposer's sales of ZYRTEC over the counter did not begin until January 2008. However, we find that opposer may rely on its predecessor's prior prescription sales -- the marks and the products are the same. To the extent there is any distinction it is the narrower channel of trade for prescription medication. <sup>15</sup> Further, contrary to applicant's contention, the record shows a clear chain of trademark rights from prior licensees to opposer. <sup>16</sup> Finally, there is no dispute that the mark is inherently distinctive. Thus, the first use date of 1996, upon which opposer may rely, is prior to applicant's September 9, 2007, constructive first use date.

\*5 Moreover, in view of the above findings, opposer has sufficiently established that it has standing to bring this proceeding inasmuch as it has demonstrated a real interest in preventing registration of the proposed mark. See Ritchie v. Simpson, 170 F.3d 1092, 50 USPQ2d 1023 (Fed. Cir. 1999); Jewelers Vigilance Committee, Inc. v. Ullenberg Corp., 823 F.2d 490, 2 USPQ2d 2021 (Fed. Cir. 1987; Lipton Industries, Inc. v. Ralston Purina Co., 670 F.2d 1024, 213 USPQ 185 (CCPA 1982).

We turn then to consider whether there is a likelihood of confusion.

## LIKELIHOOD OF CONFUSION

Our likelihood of confusion determination under Section 2(d) is based on an analysis of all of the probative facts in evidence that are relevant to the factors set forth in In re E.I. du Pont de Nemours and Co., 476 F.2d 1357, 177 USPQ 563 (CCPA 1973). See also, In re Majestic Distilling Co. Inc., 315 F.3d 1311, 65 USPQ2d 1201 (Fed. Cir. 2003). Further, "[a]lthough confusion, mistake or deception about source or origin is the usual issue posed under Section 2(d), any confusion made likely by a junior user's mark is cause for refusal; likelihood of confusion encompasses confusion of sponsorship, affiliation or connection." Hilson Research, Inc. v. Society for Human Resource Management, 27 USPQ2d 1423, 1429 (TTAB 1993); Federal Bureau of Investigation v. Societe: "M. Bril & Co.," 172 USPQ 310, 315 (TTAB 1971) (under Section 2(d) party must show purchasing public would mistakenly assume that the applicant's goods or services originate with, are sponsored by, or are in some way associated with it"). See also Majestic, 65 USPQ2d at 1205 ("...mistaken belief that [a good] is manufactured or sponsored by the same entity ... is precisely the mistake that Section 2(d) of the Lanham Act seeks to prevent").

## Fame/Strength

We begin with the strength of opposer's ZYRTEC mark in order to determine the scope of protection to be accorded opposer's mark as we analyze the other du Pont factors. ZYRTEC is fanciful and conceptually it is a strong mark. The commercial strength of a mark "may be measured indirectly, among other things, by the volume of sales and advertising expenditures of the goods traveling under the mark, and by the length of time those indicia of commercial awareness have been evident." Bose Corp. v. QSC Audio Products, Inc., 293 F.3d 1367, 63 USPQ2d 1303, 1305 (Fed. Cir. 2002). In addition, some context in which to place raw statistics may be necessary. Bose Corp., 63 USPQ2d at 1309.

\*6 In support of its assertion of fame, opposer has shown that it has used the ZYRTEC mark in connection with its allergy medication for 15 years. <sup>17</sup> Sales of allergy medication under the ZYRTEC mark and advertising expenditures have been substantial throughout that time. <sup>18</sup> In particular, since the switch from prescription to OTC in January 2008, the brand has been heavily advertised in all types of media, including television, print, point-of-sale displays, and newspaper inserts. In launching the OTC product, opposer produced a high-profile advertising campaign that included setting up a dome for three days in New York City's Central Park, allowing people to walk through 80 degree temperatures and enjoy various forms of entertainment while it was snowing outside. This particular campaign received wide media coverage. <sup>19</sup> Opposer has also used celebrities to increase the impact of the advertising. Several brand awareness studies have ranked ZYRTEC very high. <sup>20</sup> In addition, several third parties that track brand loyalty have ranked ZYRTEC at high levels. <sup>21</sup> Putting its numbers in context, opposer has approximately 21 percent of the OTC allergy medicine market, second only to Claritin at 27 percent. Suffice it to say, opposer enjoys a healthy market share in this product category.

Based on this record, we find that opposer has shown that its ZYRTEC mark is both conceptually and commercially very strong. In view thereof, we accord it a broad scope of protection. Recot Inc. v. M.C. Becton, 214 F.3d 1322, 54 USPQ2d 1894, 1897 (Fed. Cir. 2000).

Applicant did not present argument on the factor pertaining to possible thirdparty uses of similar marks for similar goods. Opposer points out that the only "evidence" of third-party marks consist of registrations which may not serve as evidence of use and are for unrelated products. Thus, based on this record ZYRTEC stands alone in its field.

# Goods/Channels of Trade/Classes of Purchasers

Applicant's goods are "pharmaceuticals, namely, allergy medications" and opposer's goods are allergy medications. There is no dispute that the goods are commercially identical, including sharing the same active ingredient, and are, in fact, sold in the

same channels of trade to the same classes of customers. <sup>22</sup> The most stark examples in the record are found in Exhibit 22 of the Hooda testimony where WAL-ZYR and ZYRTEC are displayed next to each other on shelves; WALZYR promotional balloons are prominently displayed directly above the ZYRTEC display shelf; and THE ZYRTEC display bin is filled with WAL-ZYR product. <sup>23</sup> In view thereof, these du Pont factors weigh heavily in opposer's favor.

## Conditions of Sale

Applicant argues that consumers of OTC drugs are more careful than an ordinary purchaser of a low-cost item and take care in their decisions by, for example, reading packages prior to purchase. There is evidence to suggest that consumers do read labels of OTC products. <sup>24</sup> Nonetheless, the OTC purchasers are ordinary consumers with no special knowledge or expertise and the fact that consumers spend time confirming the uses for a particular product does not indicate that they are immune from source or sponsorship confusion. In re Pellerin Milnor Corp, 221 USPQ 558, 560 (TTAB 1983). Therefore, we conclude that the conditions of purchase in this case would not diminish the likelihood of confusion. However, the goods also are not impulse items such that the conditions of purchase would increase a likelihood of confusion. We find that this factor is neutral in this case.

# Similarity/Dissimilarity of the Marks

\*7 We turn then to consider the similarities and dissimilarities of the marks in terms of their appearance, sound, connotation and overall commercial impression. <sup>25</sup> Palm Bay Imports Inc. v. Veuve Clicquot Ponsardin Maison Fondee En 1772, 396 F.3d 1369, 73 USPQ2d 1689, 1691 (Fed. Cir. 2005) quoting du Pont, 177 USPQ at 567. In making this finding, the focus is on the recollection of the average purchaser, who normally retains a general rather than a specific impression of trademarks. See Sealed Air Corp. v. Scott Paper Co., 190 USPQ 106 (TTAB 1975). Further, because the goods here are commercially identical, we keep in mind that "when marks would appear on virtually identical goods or services, the degree of similarity necessary to support a conclusion of likely confusion declines." Century 21 Real Estate Corp. v. Century Life of America, 970 F.2d 874, 23 USPQ2d 1698, 1701 (Fed Cir. 1992).

There is no dispute that applicant's mark purposefully incorporates the first half of opposer's mark ZYRTEC, rather than the generic ingredient name. <sup>26</sup> Applicant contends that the name is "intended to convey equivalence to the ZYRTEC product, not a connection." App. Br. p. 11. Opposer counters that it conveys an association or connection with the ZYRTEC brand. Opp. Br. p. 17. Applicant's mark combines the first portion, WAL, of its house mark WALGREENS with the distinctive first portion, ZYR, of opposer's fanciful mark ZYRTEC. Certainly, if the ZYR portion is recognized as referring to ZYRTEC, as applicant intends, an appreciable number of consumers could believe some sort of sponsorship or affiliation exists between the two sources where they have taken the first and most prominent portion of the respective marks to create a combined mark identifying both of them. <sup>27</sup> Whatever applicant's intent was, such affiliation goes beyond merely "calling to mind" a prior user's mark. See Am. Express Co. v. Payless Cashways, Inc., 222 USPQ 907 (TTAB 1984); Jacobs v. Int'l Multifoods Corp., 212 USPQ 641 (CCPA 1982). We find that because ZYRTEC is a strong mark, applicant's incorporation of the distinctive first portion of the mark creates a substantially similar mark to opposer's previously-used mark. In general, the addition of other matter, to another's mark is not sufficient to dispel likely confusion. <sup>28</sup> In re Mighty Leaf Tea, 601 F.3d 1342, 94 USPQ2d 1257, 1260 (Fed Cir. 2010); Palm Bay, 73 USPQ2d 1689; and Hewlett-Packard Co. v. Packard Press, Inc., 281 F.3d 1261, 62 USPQ2d 1001, 1004 ((Fed. Cir. 2002).

\*8 In view of the above, we find that the similarities in appearance, sound, connotation and overall commercial impression outweigh the dissimilarities.

# Survey

Survey results can be used to show likelihood or no likelihood of confusion. The level of confusion found to support a determination of likely confusion varies from case to case. Even a survey report indicating only 8.5 percent of respondents to

be confused was considered to support a finding of likelihood of confusion. Grotian, Helfferich, Schulz, Th. Steinweg Nachf. v. Steinway & Sons, 365 F. Supp. 707, 716, 180 USPQ 506, 513 (SDNY 1973), modified, 523 F.2d 1331, 186 USPQ 436 (2d Cir. 1975). By contrast, where survey results have a low percentage of confused respondents, such results may support the ultimate conclusion of no likely confusion. Henri's Food Products Co. v. Kraft, Inc., 717 F.2d 352, 220 USPQ 386, 391 (7th Cir. 1983). Whatever the survey results, they must be weighed based on their probative value and in the context of the totality of the evidence as we weigh the various du Pont factors. See Miles Laboratories Inc. v. Naturally Vitamin Supplements Inc., 1 USPQ2d 1445, 1457 (TTAB 1986) (survey results may be corroborative of likelihood of confusion holdings).

As to the "flaws" asserted by opposer, the survey overall comports with the Ever-Ready survey structure. <sup>29</sup> The survey questions are set forth below:

Q1a: Though you may or may not have seen or heard of this specific brand name before, do you have an opinion as to what company makes or puts out the products using the name shown on this card?

Q1b: What company?

Q1c: What makes you say that?

Q2a: Do you believe that the company that makes or puts out the products using the name shown on this card makes or puts out any other products or brands, or not?

Q2b: What products or brands?

Q2c: What makes you say [respondent's answer]?

Q3a: Do you believe that the company that makes or puts out the products using the name shown on this card is affiliated with or authorized by any other company or brand, or not affiliated with or authorized by any other company or brand?

Q3b: What company or brand?

Q3c: What makes you say that?

We find the survey to be proper in form, but considering the goods and marks in question here find that the questions do not expose the full potential for confusion. The record shows that applicant incorporated the first part of opposer's mark ZYRTEC in its WAL-ZYR mark because it conveyed equivalence with ZYRTEC. <sup>30</sup> Although the survey included an "affiliation" question, the answers were less than illuminating. In most instances there is no response. In many instances the response is the same company in answer to the first question as to source. In some cases the respondent lists a brand name (e.g., Claritin, ZYRTEC, etc.), pointing at least to either an awareness of the link between private label and brand name products or assuming WAL-ZYR is a brand name product. This is also revealed by respondents who do not answer question 1 (who makes it) or 3 (who is affiliated), but in response to question 2 (do they make another product) they respond with a name brand. These responses were not counted as confused. Essentially, if the response did not name ZYRTEC, McNeil or Johnson & Johnson, it was not counted as confusion. However, because consumers often do not know the name of the source, a response like this could indicate, at a minimum, that the consumer views WAL-ZYR as originating from a brand pharmaceutical source rather than a store brand. See Trademark Act § 45, 15 U.S.C. § 1127 (trademark is used to "identify and distinguish [a person's] goods ... and to indicate the source of the goods, *even if that source is unknown.*" (emphasis added)).

\*9 In addition, the results rely on assumptions as to how respondents would interpret the questions regarding the affiliation aspect. For example, Dr. Simonson assumes that respondents would, in answering question 3, include in the category of

affiliation the circumstance where WAL-ZYR and ZYRTEC contain ingredients from the same supplier. <sup>31</sup> However, the results of the survey do not specifically reflect that understanding.

The survey report indicated a 3 - 3.5 percent rate of confusion among participants. Even considering opposer's re-interpretation of the responses, the highest confusion rate, without discounting the potentially problematic WAL-ZEE control group, is 6.9 percent. While this number is low, given the circumstances of this case, where confusion is more focused on the sponsorship/affiliation aspect or the possible perception of potential consumers that the ingredients come from the same manufacturer, we do not find the results of this survey to be particularly probative. Moreover, a review of the actual responses revealed more a lack of knowledge about sources of OTC drugs in general, rather than clearly showing a lack of confusion. <sup>32</sup> Finally, in these circumstances, where the goods are drugs, there is a heightened need to better understand consumer perception to guard against likely confusion. Alfacell Corp. v. Anticancer Inc., 71 USPQ2d 1301, 1306 (TTAB 2004), citing, Glenwood Lab., Inc. v. Am. Home Pro. Corp., 455 F.2d 1384, 173 USPQ 19 (CCPA 1972) ("[W]here the marks are used on pharmaceuticals and confusion as to source can lead to serious consequences, it is extremely important to avoid that which will cause confusion.")

## **Actual Confusion**

Applicant argues that the lack of evidence of actual confusion strongly supports a determination that confusion is not likely. As of the close of plaintiff's testimony period, January 24, 2011, the goods have been sold side by side in applicant's stores for approximately 3 years. It has frequently been observed that evidence of actual confusion is difficult to come by, in particular with relatively inexpensive items. General Mills, Inc. v. General Mills IP Holdings II, LLC v. Fage Dairy Processing Industry S.A., 101 USPQ2d 1584 (TTAB 2011). See also Lebanon Seaboard Corp. v. R&R Turf Supply Inc., 101 USPQ2d 1826 (TTAB 2012). Moreover, because customer confusion often comes to light when fielding complaints about the parties' branded products, a lack of evidence of actual confusion may reflect little more than that both parties' goods are of acceptable quality. We have carefully considered this factor in the context of the parties' use of their respective marks, and find that the absence of evidence of actual confusion is not significant in this case. <sup>33</sup> A showing of actual confusion would of course be highly probative, if not conclusive, of a likelihood of confusion. The opposite is not true, however. The lack of evidence of actual confusion carries little weight. J.C. Hall Co. v. Hallmark Cards, Inc., 340 F.2d 960, 144 USPQ 435, 438 (CCPA 1965). Moreover, as often stated, proof of actual confusion is not necessary to establish likelihood of confusion. Giant Food, Inc. v. Nation's Foodservice, Inc., 710 F.2d 1565, 218 USPQ 390, 396 (Fed. Cir. 1983).

\*10 Accordingly, the eighth *du Pont* factor of the length of time during and conditions under which there has been contemporaneous use without evidence of actual confusion is considered neutral.

## Intent

## Opposer contends that:

[Applicant] intended to create a close association with [opposer's] ZYRTEC product and thereby appropriate the goodwill built up in the ZYRTEC mark when it co-opted for its own product the 'ZYR' portion of [opposer's] mark; Walgreens has repeatedly admitted as much. Walgreens did not need to take the most prominent portion of the brand name product, 'ZYR,' in order to compete successfully with [opposer]; no other retailer of which [opposer] is aware has found it necessary to copy the ZYRTEC mark in this manner in connection with a cetirizine HCI product. The fact that it chose, among the unlimited options available to it, to take the dominant portion of the ZYRTEC mark speaks volumes about its intentions.

Opp. Br. 39-40.

In further support of its position, opposer points to applicant's similar trade dress, e.g., employing the color green in its packaging.

Applicant responds that in choosing its mark, its intent was "not to confuse but rather to assist consumers in making their own purchasing decisions and to assist consumers in understanding the options available to them." App. Br. p. 41. The WAL-ZYR mark "assists consumers in identifying the origin of the product (WALGREENS) and the name brand equivalent (ZYRTEC) while ensuring that consumers who view the mark will not be confused and will instead understand that this is the value-priced alternative to the ZYRTEC product." Id.

Bad faith, or intent to confuse, falls under the thirteenth du Pont factor "any other established fact probative of the effect of use." L.C. Licensing Inc. v. Berman, 86 USPQ 1883, 1890 (TTAB 2008). "[A] party which knowingly adopts a mark similar to one used by another for related goods should not be surprised to find scrutiny of the filer's motive." L'Oreal S.A. and L'Oreal USA, Inc. v. Robert Victor Marcon, 102 USPQ2d 1434, 1442 (TTAB 2012). "[W]hen there is evidence of an applicant's intent to adopt a mark that suggests to purchasers a successful mark already in use by another, the Board may, and ought to, take into account that intent when resolving the issue of likelihood of confusion when that issue is not free from doubt." First International Services Corp. v. Chuckles Inc., 5 USPQ2d 1628, 1633 (TTAB 1988). However, "an inference of 'bad faith' requires something more than mere knowledge of a prior similar mark." Sweats Fashions, Inc. v. Pannill Knitting Co., Inc., 833 F.2d 1560, 1565, 4 USPQ2d 1793 (Fed. Cir. 1987). A finding of bad faith must be supported by evidence of an intent to confuse, rather than mere knowledge of another's mark or even an intent to copy. E.g., Starbucks Corp. v. Wolfe's Borough Coffee, Inc., 588 F.3d 97, 92 USPQ2d 1769, 1782 (2d Cir. 2009) ("[T]he 'only relevant intent is intent to confuse. There is a considerable difference between an intent to copy and an intent to deceive." (quoting J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition § 23:113 (4th ed. 2012))); see Restatement (Third) of Unfair Competition § 22 ("A likelihood of confusion should not be inferred from proof that the actor intentionally copied the other's designation if the actor acted in good faith under circumstances that do not otherwise indicate an intent to cause confusion or to deceive.").

\*11 Essentially the arguments and evidence presented here come down to determining whether applicant's intent was to confuse or inform consumers. Intent is difficult to prove and on this record we find the evidence to be inconclusive. In view thereof, we find this factor to be neutral.

# **Balancing the Factors**

We have carefully considered all of the evidence pertaining to the relevant du Pont factors, as well as the parties' arguments with respect thereto (including any evidence and arguments not specifically discussed in this opinion). In balancing the relevant factors, we conclude that because opposer's mark is strong, the goods are identical, the channels of trade and classes of customers are identical, the purchasing decision does not involve a high level of sophistication and the marks are similar, there is a likelihood of confusion.

In view thereof, opposer has proven its claim under Section 2(d) of the Trademark Act. Finally, to the extent we have any doubt we resolve it, as we must, in favor of the prior user. See Hewlett-Packard Co., 281 USPQ2d at 1003; Hard Rock Cafe, 56 USPQ2d at 1514 and W. R. Grace & Co. v. Herbert J. Meyer Industries, Inc., 190 USPQ 308, 311 (TTAB 1976).

In view of our decision on the claim of likelihood of confusion we do not reach the dilution claim. See Miss Universe L.P. v. Cmty. Mktg. Inc., 82 USPQ2d 1562, 1572 (TTAB 2007).

**Decision**: The opposition is sustained under Section 2(d).

#### Footnotes

- Application Serial No. 76682070 filed on September 19, 2007, based on an allegation of a bona fide intention to use the mark in commerce under Section 1(b) of the Trademark Act, 15 U.S.C. § 1(b).
- 2 Applicant's asserted affirmative defense based on a family of marks, is not a recognized defense.

- 3 Opp. Stmt of Objections p. 2.
- 4 Id. at 3.
- 5 Id. at 5.
- 6 Id.
- 7 App. Resp. to Objections pp. 2-3.
- 8 Hooda Test. at 14, 148.
- 9 Hooda Test. at 12, 13.
- 10 Hooda Test. at 16, 19, 151-152, Exhs. 2-3.
- Tompkins Test. at 4, 7.
- 12 Id
- Tompkins Test. at 63, 83.
- 14 Hooda Test. at 12-13.
- 15 See, e.g., Hooda Test. at 28, 32-34.
- See, e.g., Hooda Test. at 13-14, 19-20, Exhs 1-2. These records were submitted under seal.
- 17 For purposes of a claim under Section 2(d), a plaintiff may rely on the establishment of fame through the trial period.
- 18 These records were submitted under seal.
- 19 Hooda Test. at 77-83, Exh. 26.
- Hooda Test. at 80, Exhs 51-62. Applicant attempts to minimize the probative value of opposer's brand awareness results by arguing that opposer relies on the aided awareness results, but the unaided awareness results, not surprisingly, are lower. While unaided awareness numbers are more significant, that does not mean that aided awareness numbers have no significance. Carefirst of Maryland Inc. v. FirstHealth of the Carolinas Inc., 77 USPQ2d 1492, 1506-07 (TTAB 2005), aff'd, 479 F.3d 825, 81 USPQ2d 1919 (Fed. Cir. 2007). Moreover, the very high aided awareness numbers have significance and have not been shown to be compromised. Nat'l Pork Bd. v. Supreme Lobster & Seafood Co., 96 USPQ2d 1479 (TTAB 2010).
- 21 Hooda Test. at 116-122, Exhs 64, 66.
- We note that opposer, relying on prior use, has proven its channels of trade which include all variety of retail stores (big-box, general merchandise, grocery stores, chain drug stores, independent drug stores, and convenience stores). Hooda Test. at 37, 93, 121-126. However, as to the application, in view of the absence of limitations in the identification we must presume all ordinary channels of trade for such goods and may not limit our analysis to only applicant's stores. To be clear, however, we do consider applicant's stores as one of several channels of trade.
- See also App. Answer ¶ 20. "Applicant admits that one of the ways it markets and intends to market its WAL-ZYR product is next to or in close proximity to Opposer's product on Applicant's shelves as alleged in Paragraph 20 of the Notice of Opposition. Answering further, Applicant denies that it *intends* to market its WAL-ZYR product 'in Opposer's in-store display units; as alleged in Paragraph 20 of the Notice of Opposition." (emphasis added).
- Applicant also argues that consumers make their purchasing decision "with a knowledge of the private label or store brand marketing scheme." App. Br. p. 34. Applicant cites to observations made in a case involving trade dress infringement. Conopco, Inc. v. May Department Stores Co., 32 USPQ2d 1225, 1231 (Fed. Cir. 1994) ("This is a case in which a retailer markets a national brand product and at the same time markets its own private label product in direct competition. The retailer packages its product in a manner to make it clear to the consumer that the product is similar to the national brand, and is intended for the same purposes. At the same time, the retailer clearly marks its product with its private logo, and expressly invites the consumer to compare its product with that of the national brand, by name. With the rise of regional and national discount retailers with established names and logos, retailers who market both national brands and their own private label brands in direct competition, this form of competition has become commonplace and well-known in the marketplace. When such packaging is clearly labeled and differentiated -- as was the case here, ...we are unwilling to attribute to the Eighth Circuit ... a rule that would make such competition presumptively unlawful."). The observations in that case were not made in connection with the circumstances presented here where the private label product mark includes a portion of the national brand name and registration is sought for that mark. More importantly, there is no evidence in the record to support applicant's contention. We further note that opposer's testimony is not sufficient to prove the opposite.
- There was a good deal of argument in the briefs regarding the trade dress employed by both parties. However, for purposes of this factor we note that applicant seeks registration of a standard character word mark. Applicant's standard character mark is not limited to any particular display, but can be used in any stylization, including that identical to opposer's. Citigroup Inc. v. Capital City Bank Group Inc., 637 F.3d 1344, 98 USPQ2d 1253, 1258-59 (Fed. Cir. 2011).
- 26 See Tompkin's Disc. Dep., Opp. Exh. 107, at 62, 140-141, Exh. 5.

- Much of applicant's arguments go to the issue of fair use in informing consumers about their product. However, this case is not about use of a designation to inform consumers; rather, it is about registering and obtaining exclusive rights to a trademark. Applicant has cited no authority suggesting that the fair use doctrine affords a competitor the right to *register* a mark which is likely to cause confusion
- The exceptions to this general rule, where the common matter is merely descriptive or diluted, are not present here. See Shen Mfg. Co. v. Ritz Hotel Ltd., 393 F.3d 1238, 73 USPQ2d 1350 (Fed. Cir. 2004); Citigroup Inc. v. Capital City Bank Group, Inc., 94 USPQ2d 1645 (TTAB 2010), aff'd, 637 F.3d 1344, 98 USPQ2d 1253 (Fed. Cir. 2011).
- Union Carbide Corp. v. Ever-Ready, Inc., 531 F.2d 366, 188 USPQ 623 (7th Cir. 1976). We do note that the control WAL-ZEE may be somewhat flawed in that as Dr. Simonson's report states "control stimulus shown to a control group should be similar to the test stimulus but absent the alleged infringing elements" and here the hyphenated prefix/suffix with the suffix beginning with Z may, in fact, include "infringing elements" to the extent that the Z in ZYRTEC is highlighted in opposer's advertising, putting it in consumers' minds, and this would impact both the questions regarding who makes or puts out the product and whether there is an affiliated company.
- 30 Opp. NOR Exh. 107 (Tompkins Disc. Dep. pp. 66-70, Exh. 5)
- 31 Simonson Test. p. 82.
- 32 In fact, many of the responses point to a third party, Walmart, as the source. Simonson Aff. Survey Report at 11-12.
- We have considered the compilation of consumer comments received by applicant, discussing the WAL-ZYR and ZYRTEC products, and do not find them sufficiently probative on the question of likely confusion, so as to tilt this factor in applicant's favor.

2013 WL 223400 (Trademark Tr. & App. Bd.)

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2006 WL 1320242

United States District Court, M.D. Florida,

Tampa Division.

ST. LUKE'S CATARACT AND LASER INSTITUTE, P.A., Plaintiff,

v.

James C. SANDERSON, James C. Sanderson, M.D., LLC, and Mark Erickson, Defendants.

No. 8:06-CV-223-T-MSS. | May 12, 2006.

# **Attorneys and Law Firms**

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H. William Larson, Jr., Ruth Ellen Freeburg, Larson & Larson, P.A., Largo, FL, for Defendant.

# ORDER

MARY S. SCRIVEN, Magistrate Judge.

\*1 THIS CAUSE comes on for consideration of Plaintiff's Motion for Admission of Evidence (the "Motion") (Dkt.46-1) and Defendants response thereto (Dkt.49-1).

Plaintiff requests that printouts of pages from the laserspecialist.com and the laserspelid.com websites taken from www.archive.org (hereinafter referred to as the "Internet Archive") and supporting declarations be admitted to show how the sites have appeared at various times since 2000. In support of its Motion, Plaintiff relies on *Telewizja Polska USA*, *Inc. v. EchoStar Satellite Corp.*, 2004 WL 2367740 (N.D.III.), a case from the Northern District of Illinois which dealt with admitting evidence from Internet Archive.

In *Telewizja*, the plaintiff sought to bar the defendant from introducing evidence from Internet Archive to prove what the plaintiff's website looked like on various dates in 2004. *Id.* at 5. First, the plaintiff argued that the

printouts from Internet Archive were "double hearsay." *Id.* The court disagreed, finding that the text and graphics from the website were not statements and the content of the website constituted an admission by a party-opponent and was therefore, not hearsay. *Id.* Second, the plaintiff argued that the printouts from Internet Archive should not be admitted because they had not been authenticated. *Id.* at 6. The plaintiff did not present evidence that the printouts were inaccurate or that Internet Archive was unreliable or biased, only that the defendant had failed to meet the authentication requirements of Fed.R.Evid. 901. *Id.* 

The defendant had attached to the printouts the affidavit of Ms. Molly Davis, the administrative director for Internet Archive. *Id*. Ms. Davis' affidavit was submitted to verify that the copies of the web pages retrieved from Internet Archive were accurate representations of the web pages as they appeared in Internet Archive's records. *Id*. Her affidavit also described in detail the process Internet Archive uses to allow visitors to search archived web pages through its "Wayback Machine." *Id.*; (Pl.Mot., Ex. B) Most importantly, the affidavit contained specific attestations of authentication as to the web page in dispute. Thus, the court found the affidavit of Ms. Davis to be "sufficient to satisfy Rule 901's threshold requirement for admissibility." *Id*.

Here. Plaintiff contends that a certified copy of Ms. Davis' affidavit used in Telewizja, along with the affidavits of Mr. Benjamin Fertic<sup>2</sup> and Mr. Bradley Houser<sup>3</sup>, are sufficient to authenticate the printouts it seeks to introduce from Internet Archive. In response, Defendants contend that the declarations of Mr. Fertic and Mr. Houser, two fact witnesses, are insufficient to authenticate the printouts from Internet Archive. According to Defendants, these two witnesses did not rely on their personal knowledge of how the Wayback Machine operates. The witnesses merely provided their opinions about how the process works. Further, the lay opinions given by these individuals in their declarations were incorrect as to how the Wayback Machine works.4Defendants also contend that the declaration of Ms. Davis, taken two years ago in an unrelated case, is insufficient to authenticate the printouts Plaintiff seeks to admit in the present case.

\*2 Rule 901 of the Federal Rules of Evidence requires authentication of evidence "as a condition precedent to admissibility." Fed.R. Evid. 901. This requirement is satisfied by "evidence sufficient to support a finding that the matter in question is what its proponent claims." Id. Web-sites are not self-authenticating. Sun Protection

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Factory, Inc. V. Tender Corp., 2005 WL 2484710, slip op. at 6, n. 4 (M.D.Fla. October 7, 2005). To authenticate printouts from a website, the party proffering the evidence must produce "some statement or affidavit from someone with knowledge [of the website] ... for example [a] web master or someone else with personal knowledge would be sufficient." In re Homestore.com, Inc. Sec.Litig., 347 F.Supp.2d 769, 782 (C.D.Cal.2004).

Here, Plaintiff has not met the requirements for authentication. In order to satisfy the requirement of Fed.R.Evid. 901, that is, to show that the printouts from Internet Archive are accurate representations of the laserspecialist.com and lasereyelid.com websites on various dates since 2000, Plaintiff must provide the Court with a statement or affidavit from an Internet Archive representative with *personal knowledge* of the contents of the Internet Archive website. The declarations of Mr. Fertic and Mr. Houser do not meet this requirement as neither individual has *personal knowledge* of the content of the Internet Archive website. Further, Ms. Davis'

affidavit from a previous litigation, without more, is insufficient to satisfy this requirement. However, an affidavit by Ms. Davis, or some other representative of Internet Archive with personal knowledge of its contents, verifying that the printouts Plaintiff seeks to admit are true and accurate copies of Internet Archive's records would satisfy Plaintiff's obligation to this Court. Accordingly, the Court **ORDERS** that Plaintiff's Motion (Dkt.46-1) is **DENIED** without prejudice.

DONE and ORDERED in Tampa, Florida on this 12th day of May 2006.

#### **All Citations**

Not Reported in F.Supp.2d, 2006 WL 1320242, 70 Fed. R. Evid. Serv. 174

# Footnotes

- 1 Plaintiff claims it is in the process of obtaining a certified copy of Ms. Davis' affidavit to supplement its Motion. (Pl. Mot. at 2, n. 1)
- Mr. Fertic attached to his declaration (Dkt.10-1) "true and correct" images of pages from Internet Archive, which he claimed showed how the laserspecialist.com website appeared "as of December 7, 2003."
- Mr. Houser attached to his declaration (Dkt.9-1) "true and correct" images of pages from Internet Archive, which he claimed showed how the laserspecialist.com website appeared "as of October 18, 2000" and "June 7, 2004."
- Plaintiff acknowledges that the declarations of Mr. Fertic and Mr. Houser were incorrect. They declared, and Plaintiff believed, that Internet Archive stored all of the pages of a website on a particular date. Plaintiff has discovered that Internet Archive actually stores information on a page by page basis, meaning a different date may be assigned to each page of a website. Plaintiff "will submit new amended declarations to accurately reflect the new information it has learned about how Internet Archive works." (Pl. Mot. at 5, n. 3)

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## 2012 WL 8254590 (Trademark Tr. & App. Bd.)

#### THIS OPINION IS NOT A PRECEDENT OF THE TTAB

Trademark Trial and Appeal Board

Patent and Trademark Office (P.T.O.)

#### THE CHAMBER OF COMMERCE OF THE UNITED STATES OF AMERICA

v

## UNITED STATES HISPANIC CHAMBER OF COMMERCE

Cancellation No. 92045876 December 31, 2012 Hearing: Dec. 2, 2010

\*1 William M. Merone of Kenyon & Kenyon LLP for The Chamber of Commerce of the United States of America Jill M. Pietrini of Manatt, Phelps & Phillips, LLP for United States Hispanic Chamber of Commerce

Before Grendel, Cataldo and Bergsman Administrative Trademark Judges Opinion by Grendel Administrative Trademark Judge:

## INTRODUCTION.

United States Hispanic Chamber of Commerce (respondent) is the owner of Registration No. 2886207 (now cancelled under Section 8; see footnote 1 below) of the mark **UNITED STATES HISPANIC CHAMBER OF COMMERCE** (and design), depicted below,



for services identified in the registration as "chamber of commerce services, namely promoting business by and among Hispanic businesses and corporate America while fostering procurement and economic development opportunities as well as commercial and financial relations by and among Hispanic businesses with the general business community." <sup>1</sup> The registration includes a disclaimer of all of the wording in the mark, i.e., UNITED STATES HISPANIC CHAMBER OF COMMERCE.

The Chamber of Commerce of the United States of America (petitioner) has filed a petition to cancel respondent's registration, alleging priority and likelihood of confusion under Trademark Act Section 2(d), 15 U.S.C. Section 1052(d), as its ground for cancellation. <sup>2</sup>

In the petition to cancel, petitioner pleaded ownership of Reg. No. 1522157, which is of the mark **U.S. CHAMBER OF COMMERCE** (registered in standard character form), for services identified in the registration as "association services, namely promoting the interest of business men and women." This mark is registered on the Principal Register pursuant to a claim of acquired distinctiveness under Trademark Act Section 2(f), 15 U.S.C. §1052(f). This Section 2(f) registration also includes a disclaimer of the words CHAMBER OF COMMERCE.

Respondent filed an answer by which it denied all of the salient allegations in the petition for cancellation. In its answer, respondent also asserted the affirmative defenses of laches and acquiescence. 4

\*2 Respondent also has asserted counterclaims for cancellation of three registrations owned by petitioner, on the ground of genericness. <sup>5</sup> The first of these registrations is the '157 registration pleaded by petitioner in the petition for cancellation in this case, i.e., of the mark U.S. CHAMBER OF COMMERCE. The second registration respondent has counterclaimed to cancel (which was not pleaded by petitioner in the petition to cancel) is Reg. No. 1686865, which is of the mark CHAMBER OF COMMERCE OF THE UNITED STATES OF AMERICA (in standard character form) for services identified in the registration as "association services, namely promoting the interest of business men and women." <sup>6</sup> The third registration respondent has counterclaimed to cancel is Reg. No. 1430627, which is of the mark U.S. CHAMBER (in standard character form) for services identified in the registration as "association services, namely promoting the interest of business men and women." <sup>7</sup>

The case has been fully tried and briefed, and an oral hearing was held on December 2, 2010. After careful consideration of all of the parties' evidence and arguments, we **DISMISS** respondent's counterclaims for cancellation of petitioner's Reg. Nos. 1522157, 1686865, and 1430627. Further, we **DENY** petitioner's petition for cancellation of respondent's Reg. No. 2886207.

#### THE EVIDENCE.

The record in this case is voluminous, totaling 160 docket entries and some 11,000 pages. For ease of reference and in view of the large and sometimes unwieldy record, citations to the record in this initial listing of the evidence and throughout this opinion (and especially as to the numerous exhibits to petitioner's Peck deposition and respondent's Danner deposition; see below) often may be accompanied by the corresponding TTABVUE docket number(s) and page number(s), in the format "Docket No./ Page No." For example, a citation to evidence located at TTABVUE Docket No. 100, pp. 59-65, would include a citation to "TTABVUE 100/59-65." For an item of evidence which bridges two or more docket entries, the TTABVUE reference would be the beginning docket/page through the final docket/page. For example, if the item of evidence starts at Docket No. 100, page 91 and continues through Docket No. 101, page 200, the TTABVUE reference will be "TTABVUE 100/91 - 101/200." A citation to an entire docket entry will name that docket entry number without reference to page numbers, e.g., "TTABVUE 65" for the entire docket entry number 65. At times, the parties' Bates Nos. for the evidence also will be referenced.

# **Petitioner's Evidence:**

- Testimony Deposition of Steven Bokat (petitioner's former general counsel) (depo. text at TTABVUE 48/5-183).
- \*3 Testimony Deposition of Patricia Cole (petitioner's vice president of sales and marketing) (depo. text at TTABVUE 49/6-152; exh. at TTABVUE 49/153-346).
- **Testimony Deposition of Karen Elzey** (executive director of petitioner's Institute for a Competitive Workforce) (depo. text at TTABVUE 50/6-158; exh. at TTABVUE 50/159 52/253).

- **Testimony Deposition of Julie Herrera** (petitioner's legal department secretary) (depo. text Part 1 at TTABVUE 118/1-24); depo. text Part 2 at TTABVUE 125/1-70).
- **Testimony Deposition of Christine Kanuch** (petitioner's vice president of finance) (depo. text at TTABVUE 53/5-90; exhibits at TTABVUE 53/91-94).
- **Testimony Deposition of Lydia Logan** (executive director of petitioner's Institute for a Competitive Workforce) (depo. text at TTABVUE 54/5-179; exhibits at TTABVUE 54/180-190).
- **Testimony Deposition of Jeff Marcoe** (petitioner's executive director of government affairs) (depo. text at TTABVUE 104/1-31; exhibits at TTABVUE 104/32-76).
- **Testimony Deposition of Lucia Olivera** (former associate manager of petitioner's Access America progam) (depo. text at TTABVUE 55/5-192).
- **Testimony Deposition of Bradley Peck** (petitioner's senior director of communications and publishing) (depo. text at TTABVUE 57/6-234); exhibits:
- Exh. 1-2 at TTABVUE 57/235-308;
- Exh. 3-8 at TTABVUE 58/1-304;
- Exh. 9-11 at TTABVUE 59/1-308;
- Exh. 12-18 at TTABVUE 60/1-326;
- Exh. 19-26 at TTABVUE 61/1-327);
- Exh. 27-38 (part) at TTABVUE 62/1-305;
- Exh. 38(cont.)-53 at TTABVUE 63/1-379.)
- **Testimony Deposition of Rita Perlman** (former executive director of petitioner's Access America program) (depo. text at TTABVUE 56/5-160; exhibits at TTABVUE 56/161-174).
- Testimony Deposition of Chrissie Jones (petitioner's mail room purchasing manager) (depo. text at TTABVUE 65-66).
- Third-party Testimony Deposition of Rima Matsumoto (executive director of Hispanic Association on Corporate Responsibility) (depo. text at TTABVUE 103/1-40).
- Third-party Testimony Deposition of Daniel Ramos (president of National Hispanic Corporate Achievers) (depo. text at TTABVUE 70/1-50; exhibits at TTABVUE 70/50-55).
- Petitioner's 1 st Notice of Reliance ("NOR") (petitioner's registrations) (TTABVUE 67).
- **Petitioner's 2** <sup>nd</sup> **NOR** (pages from Washington Hispanic newspaper) (TTABVUE 68).
- **Petitioner's 3<sup>rd</sup> NOR** (various printed publications relating to petitioner) (TTABVUE 69).

- Petitioner's 4<sup>th</sup> NOR (transcript of speech by former President George W. Bush) (TTABVUE 64).
- Petitioner's 5<sup>th</sup> NOR (file history of third-party Reg. No. 2887973) (TTABVUE 117).

## **Respondent's Evidence:**

- **Testimony Deposition of Frank Lopez** (president and CEO of the U.S. Hispanic Chamber of Commerce Foundation) (depo. text at TTABVUE 75/7-255; exhibits:
- \*4 Exh. 1-4 at TTABVUE 75/256-305;
- Exh. 5-20 at TTABVUE 76/1-307;
- Exh. 20-22 at TTABVUE 77/1-100).
- Testimony Deposition of Jose Nino (respondent's former president and CEO) (depo. text at TTABVUE 77/101-290; exhibits:
- Exh. 23-25 at TTABVUE 77/291-317;
- Exh. 26-32 at TTABVUE 78/1-278).
- Testimony Deposition of Monica Danner (respondent's counsel's paralegal) (depo. text at TTABVUE 84/7-126); exhibits:
- Exh. 35-49 at TTABVUE 84/127 94/7;
- Exh. 50 at TTABVUE 94/8-249 (also of record as respondent's 2 nd NOR Exh. 3-205 at TTABVUE 97/59 98/105);
- Exh. 51 at TTABVUE 94/250 96/21;
- Exh. 52 at TTABVUE 96/22-295).
- **Testimony Deposition of Melinda Guzman** (respondent's general counsel) (depo. text at TTABVUE 102/3-75; exh. at TTABVUE 102/76-199).
- Third-party Testimony Deposition of Mahir Iskandarov (from the United States-Azerbaijan Chamber of Commerce) (depo. text at TTABVUE 106/29-137; exh. at TTABVUE 106/138 107/1-259).
- Third-party Testimony Deposition of Johannes Hofer (from the U.S. Austrian Chamber of Commerce) (depo. text at TTABVUE 107/261-358; exh. at TTABVUE 107/359 108/81).
- Third-party Testimony Deposition of Margot Dorfman (from the U.S. Women's Chamber of Commerce) (depo. text at TTABVUE 108/83-201; exh. at TTABVUE 108/202 109/216).
- Third-party Testimony Deposition of Albert Zapanta (from the United States-Mexico Chamber of Commerce) (depo. text at TTABVUE 109/218-320).
- Third-party Testimony Deposition of Frederique Raeymaekers (from the Belgian-American Chamber of Commerce) (depo. text at TTABVUE 110/3-75; exh. at TTABVUE 110/76-160).

- Third-party Testimony Deposition of Curtis Carlson (from the Swedish-American Chambers of Commerce) (depo. text at TTABVUE 78/279 79/40; exh. at TTABVUE 79/41 81/126).
- Third-party Testimony Deposition of Mary Ginnane-Singer (from the French-American Chamber of Commerce in the United States) (depo. text at TTABVUE 81/127-207; exh. at TTABVUE 81/208-268).
- Third-party Testimony Deposition of Melissa Brown (from the Spain-U.S. Chamber of Commerce) (depo. text at TTABVUE 81/269-334; exh. at TTABVUE 82/1-137).
- Respondent's Amended 1st Notice of Reliance (TTABVUE 101):
- Exh. 1-2 (Petitioner's discovery responses) (TTABVUE 101/9-34);
- Exh. 3 (pages from petitioner's website) (TTABVUE 101/35-45);
- Exh. 4-10 (dictionary evidence) (TTABVUE 74/46-71);
- Exh. 11 (respondent's incorporation documents) (TTABVUE 101/72-81);
- Exh. 12-55 (third-party registrations) (TTABVUE 101/82-181);
- Exh. 56-57 (respondent's registrations) (TTABVUE (101/182-185);
- Exh. 58-72 (third-party registrations) (TTABVUE 101/186-263);
- Exh. 73 (respondent's registration) (TTABVUE 101/264-270).
- \*5 Respondent's 2<sup>nd</sup> Notice of Reliance (TTABVUE 97-98):
- exh. 1-2 (directory evidence) (TTABVUE 97/31-58).
- exh. 3-205 (state corporation division records) (TTABVUE 97/59 98/105) (also of record as Danner Depo. Exh. 50).
- Respondent's Request for Judicial Notice (unopposed) (dictionary evidence) (TTABVUE 73).

#### RESPONDENT'S COUNTERCLAIMS FOR CANCELLATION OF PETITIONER'S REGISTRATIONS.

#### Introduction.

We turn first to respondent's counterclaims for cancellation of three registrations owned by petitioner, each on the ground of genericness.

As noted above, the first registration is Principal Register Reg. No. 1522157 for the mark U.S. CHAMBER OF COMMERCE, for services identified in the registration as "association services, namely promoting the interest of business men and women." This mark is registered pursuant to a claim of acquired distinctiveness under Trademark Act Section 2(f), and includes a disclaimer of the words CHAMBER OF COMMERCE.

The second registration is Principal Register Reg. No. 1686865 for the mark CHAMBER OF COMMERCE OF THE UNITED STATES OF AMERICA, for the same services as those identified in the '157 registration. This mark also is registered pursuant to Trademark Act Section 2(f), and also includes a disclaimer of the words CHAMBER OF COMMERCE.

The third registration is Principal Register Reg. No. 1430627 for the mark U.S. CHAMBER, for the same services as those identified in the other two registrations. This mark is registered on the Principal Register, without a Section 2(f) claim and without any disclaimer.

Petitioner's registrations are entitled to a presumption of validity. *See* Trademark Act Section 7(b), 15 U.S.C. §1057(b). Respondent bears the burden of rebutting that presumption by a preponderance of the evidence. *See West Florida Seafood, Inc. v. Jet Restaurants, Inc.*, 31 F.3d 1122, 31 USPQ2d 1660 (Fed. Cir. 1994).

To prevail on its counterclaims in this proceeding, respondent, as counterclaim plaintiff, must establish (1) its standing to counterclaim/petition for cancellation of petitioner's registrations, and (2) at least one statutory ground for cancellation of the registrations. *See Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 55 USPQ2d 1842, 1844 (Fed. Cir. 2000); *Person's Co. Ltd. v. Christman*, 900 F.2d 1565, 14 USPQ2d 1477, 1479 (Fed. Cir. 1990); *Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185, 187 (CCPA 1982).

# Respondent's Standing.

We find that respondent, by virtue of its position as defendant in the main cancellation case, has a real interest in the outcome of this proceeding and thus a reasonable basis for believing that it is or will be damaged by the presence on the Principal Register of petitioner's registrations involved in the counterclaims, including the two registrations which petitioner has not pleaded in the petition to cancel. *See* Trademark Act Section 14, 15 U.S.C. §1064. We thus find that respondent has standing to bring its counterclaims for cancellation of petitioner's three registrations. *See Cunningham v. Laser Golf Corp.*, *supra*; *Lipton Industries*, *Inc. v. Ralston Purina Co.*, *supra*.

#### Genericness.

\*6 "Determining whether a mark is generic ... involves a two-step inquiry: First, what is the genus of goods or services at issue? Second, is the term sought to be registered or retained on the register understood by the relevant public primarily to refer to that genus of goods or services?" *H. Marvin Ginn Corp. v. Int'l Assoc. of Fire Chiefs, Inc.*, 782 F.2d 987, 228 USPQ 528, 530 (Fed. Cir. 1986).

In this case, we find that the relevant genus of services is commensurate with the identification of services in each of petitioner's registrations, i.e., "association services, namely promoting the interest of business men and women." We further find that the relevant public for our genericness inquiry consists of the business men and women who are the purchasers of such association services, i.e., the members and potential members of such associations.

Thus, the remaining inquiry is whether the designations registered as petitioner's respective marks are understood by this relevant public primarily to refer to this genus of services.

Respondent's argument is that each of petitioner's registered marks is generic because it merely combines two generic terms or designations, and that the mere combination of these two generic designations results in a whole that itself remains generic as well. Specifically, respondent contends that the designations "CHAMBER OF COMMERCE" and "CHAMBER" in the respective registered marks are generic, as are the designations "U.S." and "OF THE UNITED STATES OF AMERICA" in the respective registered marks.

There is no dispute, and we find, that the disclaimed designations in petitioner's Section 2(f) registrations CHAMBER and CHAMBER OF COMMERCE in the respective marks are generic designations as applied to the genus of services at issue here, i.e., "association services, namely promoting the interest of business men and women."

However, we find that although CHAMBER OF COMMERCE and CHAMBER are generic terms as applied to the relevant genus of services, the remainders of the respective marks, i.e., "U.S." and "OF THE UNITED STATES OF AMERICA," are not generic but rather are merely descriptive and/or geographically descriptive terms as applied to the relevant genus of services. <sup>8</sup> They certainly modify, in a highly descriptive or geographically descriptive manner, the generic designations CHAMBER and CHAMBER OF COMMERCE. However, the evidence does not establish that they are themselves also generic designations for the services. Thus, respondent's argument and the basis of respondent's genericness claim, i.e., that petitioner's registered marks are generic because they consist merely of the combination of two generic designations, is not persuasive.

As will be discussed below in connection with petitioner's Section 2(d) claim, respondent has submitted a large amount of evidence establishing that numerous third-party chambers of commerce or similar associations and organizations in the United States have names which include both the designations "chamber of commerce" and some form of either "U.S." or "United States." However, this evidence does not also establish that the relevant public refers to or would understand any of the particular phrases comprising petitioner's marks as a whole, i.e., U.S. CHAMBER, U.S. CHAMBER OF COMMERCE, or CHAMBER OF COMMERCE OF THE UNITED STATES, as the name of the relevant genus of services here, i.e., "association services, namely promoting the interest of business men and women." Stated differently, the evidence does not establish that the relevant public refers to or would refer to any of these third-party organizations, such as The United States African American Chamber of Commerce (see below), generically as "a U.S. Chamber," or "a U.S. Chamber of Commerce," or "a Chamber of Commerce of the United States of America."

\*7 We find, however, that the designations comprising petitioner's registered marks as a whole are highly descriptive, inherently weak, and arguably even "apt" names for a chamber of commerce or other business association or organization which is located in the United States or which has some sort of connection to or supports business interests in the United States. However, the Court of Appeals for the Federal Circuit, our primary reviewing court, has specifically stated that "[a]ptness is insufficient to prove genericness." *In re American Fertility Soc.*, 188 F.3d 1341, 51 USPQ2d 1832, 1836 (Fed. Cir. 1999)(for example, NATIONAL BAR ASSOCIATION is apt name for association of lawyers, but not a generic name for such an association).

In short, we have carefully considered all of respondent's evidence and arguments but, for the reasons discussed above, we cannot conclude that petitioner's registered marks are generic. Accordingly, respondent's counterclaims for cancellation of petitioner's three registrations on that ground are dismissed.

### PETITIONER'S PETITION TO CANCEL RESPONDENT'S REGISTRATION.

We turn now to petitioner's petition to cancel respondent's registration of the mark U.S. HISPANIC CHAMBER OF COMMERCE (and design).

To prevail in this cancellation proceeding, petitioner must establish (1) its standing to petition to cancel respondent's registration, and (2) at least one statutory ground for cancellation of the registration. See Cunningham v. Laser Golf Corp. supra; Person's Co. Ltd. v. Christman, supra; Lipton Industries, Inc. v. Ralston Purina Co., supra.

## Petitioner's Standing.

Petitioner has properly made its pleaded Reg. No. 1522157 of record, which establishes that the registration is in effect and is owned by petitioner. (Petitioner's 1st NOR (TTABVUE 67)). In view thereof, and because petitioner has established that its pleaded ground for cancellation of respondent's registration is colorable, we find that petitioner has a real interest in the

outcome of this proceeding and thus a reasonable basis for believing that it is or will be damaged by the presence on the Principal Register of respondent's registration. *See* Trademark Act Section 14, 15 U.S.C. §1064. Accordingly, we find that petitioner has established its standing to petition to cancel respondent's registration. *See Cunningham v. Laser Golf Corp.*, *supra*; *Lipton Industries, Inc. v. Ralston Purina Co.*, *supra*.

#### Petitioner's Section 2(d) claim.

# Section 2(d) priority.

Because petitioner has made its pleaded registration of record (Petitioner's 1 st NOR (TTABVUE 67)), and because respondent's registration is now cancelled under Section 8, Section 2(d) priority is not an issue in this case as to the mark and services set forth in petitioner's registration. *See King Candy Co. v. Eunice King's Kitchen, Inc.*, 496 F.2d 1400, 182 USPQ 108, 110 (CCPA 1974); *Miss Universe L.P. v. Community Marketing Inc.*, 82 USPQ2d 1562, 1566 (TTAB 2007). <sup>10</sup>

### Likelihood of Confusion.

\*8 Our likelihood of confusion determination under Section 2(d) is a legal conclusion, based on an analysis of all of the facts in evidence that are relevant to the factors bearing on the likelihood of confusion issue (the *du Pont* factors). *In re E. I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563, 567 (CCPA 1973). *See M2 Software Inc. v. M2 Communications Inc.*, 450 F.3d 1378, 78 USPQ2d 1944, 1946 (Fed. Cir. 2006); *Palm Bay Imports, Inc. v. Veuve Clicquot Ponsardin Maison Fondee En 1772*, 396 F.3d 1369, 73 USPQ2d 1689, 1691 (Fed. Cir. 2005); *In re Dixie Restaurants Inc.*, 105 F.3d 1405, 41 USPQ2d 1531, 1533 (Fed. Cir. 1997).

It is settled that "...not all of the [du Pont] factors are relevant or of similar weight in every case. Indeed, any one of the factors may control a particular case." In re Dixie Restaurants, Inc., supra, 41 USPQ2d 1531 at 1533 (internal citations and quotation marks omitted).

We find as follows regarding the various du Pont factors relevant to this case, turning initially to the second factor.

# Du Pont Factor 2: Similarity of the Services.

Under the second *du Pont* factor, we determine the similarity or dissimilarity of the parties' respective services. *See In re E. I. du Pont de Nemours & Co., supra,* 177 USPQ 563 at 567. *See also Hewlett-Packard Co. v. Packard Press Inc.,* 281 F.3d 1261, 62 USPQ2d 1001, 1004 (Fed. Cir. 2002). We must base this determination on the parties' services as they are set out in the identifications of services in their respective registrations. *See id; Octocom Systems Inc. v. Houston Computers Services Inc.,* 918 F.2d 937, 16 USPQ2d 1783 (Fed. Cir. 1990).

Petitioner's services as identified in its pleaded registration are "association services, namely promoting the interest of business men and women."

Respondent's services as identified in its registration are "chamber of commerce services, namely promoting business by and among Hispanic businesses and corporate America while fostering procurement and economic development opportunities as well as commercial and financial relations by and among Hispanic businesses with the general business community."

We find that the "chamber of commerce" services identified in respondent's registration are highly similar and related to the "association services" identified in petitioner's registration. Evidence of record submitted by respondent shows that "chamber of commerce" is defined as "an association, primarily of businessmen, to protect and promote the commercial interests of a city, state, country, etc." <sup>11</sup> We find that "chamber of commerce" services in essence are a particular type of "association services," directed to promoting the interests of businesses.

\*9 We note that respondent has restricted its identification of services to chamber of commerce services directed specifically to Hispanic businesses. However, petitioner's identification of services is not restricted, and the "business men and women" identified in petitioner's identification of services are presumed to include all such business men and women, including Hispanic business men and women. See Canadian Imperial Bank of Commerce, National Association v. Wells Fargo Bank, 811 F.2d 1490, 1 USPQ2d 1813, 1815 (Fed. Cir. 1987)(if the services are identified broadly in the registration, it must be presumed that they encompass all services of the nature and type identified).

Respondent also argues that petitioner's primary activity is advocacy and lobbying on behalf of business before the federal government. There indeed is plentiful evidence in the record which suggests that petitioner's primary purpose and activities relate to policy development and advocacy before the federal government. (Bokat Depo. at 9; see also the discussion below as to *du Pont* factor 5 (fame of petitioner's mark)). Again, however, and as respondent acknowledges, the identification of services in petitioner's registration is unrestricted. Even if we assume that petitioner's primary activity is policy development and advocacy before the federal government, petitioner's identification of services in its registration is not limited in that way or to that activity, and we will not read such a limitation into the identification of services.

In short, we will not construe petitioner's registration's broadly-identified "association services, namely promoting the interest of business men and women," so as to exclude chamber of commerce services directed to Hispanic businesses, nor will we limit it so as to include only petitioner's advocacy and lobbying activities.

For these reasons, we find, for purposes of the second *du Pont* factor, that respondent's services as they are identified in respondent's registration are highly similar and closely related to the services identified in petitioner's registration.

#### Du Pont Factor 3: Similarity of Purchasers and Trade Channels.

Under the related third *du Pont* factor, we determine the similarity or dissimilarity of the trade channels in which and the classes of purchasers to whom the parties' respective services are marketed. Inasmuch as, and to the extent that, the parties' respective services as identified in their respective registrations are highly similar and closely related, as discussed above, we also find that the trade channels and purchasers for the respective services likewise are highly similar. *See American Lebanese Syrian Associated Charities Inc. v. Child Health Research Institute*, 101 USPQ2d 1022, 1028 (TTAB 2011). These "purchasers" include businesses of all sizes, and regional, state, local and other specialized chambers of commerce and trade associations. Respondent has restricted its identification of services as being directed specifically to Hispanic businesses. However, as noted above, petitioner's identification of services includes no restrictions as to class of purchasers (other than "business men and women") or trade channels, and we therefore must presume that its services, like respondent's services, also are marketed to Hispanic business owners in similar trade channels.

## Du Pont Factor 4: Conditions of Purchase.

\*10 In the absence of any restrictions in the respective identifications of services, we presume that both parties are or could be marketing their chamber of commerce services to businesses and local chambers of commerce of all sizes. Some of these businesses and organizations, especially the truly large corporations that are members of petitioner, are likely to be knowledgeable and sophisticated purchasers of the parties' services. However, the evidence does not support a finding that all prospective purchasers, such as individual small business owners, necessarily are or would be sophisticated purchasers of the parties' services. Respondent's mere arguments to the contrary are not supported by the evidence of record. We find that the fourth *du Pont* factor, conditions of purchase, is neutral or perhaps tends to weigh in favor of a conclusion that confusion is likely.

# Du Pont Factors 5 and 6: Strength of Petitioner's Mark.

We turn now to what we deem to be a critical issue in our overall likelihood of confusion analysis in this case, i.e., the issue of the strength of petitioner's pleaded mark, U.S. CHAMBER OF COMMERCE, and the resulting scope of protection to which it is entitled vis-à-vis respondent's mark, UNITED STATES HISPANIC CHAMBER OF COMMERCE (and design).

Petitioner contends that its mark is a famous mark and that such fame under the fifth *du Pont* factor must play a great and even dominant role in our likelihood of confusion analysis in this case, entitling petitioner's mark to a broad scope of protection which precludes registration of respondent's mark.

Respondent, for its part, contends that petitioner's mark, if not generic (see discussion of respondent's counterclaims, above), is a very weak mark both inherently on its face and when considered in the light of the numerous third-party uses of similar marks on similar services under the sixth *du Pont* factor (see below), and that it therefore deserves only a limited scope of protection which does not preclude registration of respondent's mark.

For the reasons discussed below, we find that petitioner's mark has achieved a degree of fame for purposes of the fifth *du Pont* factor. However, we also find that the inherent weakness of petitioner's mark and the evidence in the record of third-party use of similar marks for similar services under the sixth *du Pont* factor supports a finding that petitioner's mark is highly descriptive and inherently weak as applied to the relevant services in this case. On balance, we find that the marketplace fame of petitioner's mark is effectively outweighed by the inherent weakness of that mark for purposes of determining the scope of protection to which the mark is entitled.

# Strength of Petitioner's Mark: du Pont Factor 5 (Fame).

\*11 Under the fifth *du Pont* factor, we consider evidence pertaining to the fame of petitioner's mark. A famous mark is entitled to broad scope of protection, and a finding that petitioner's mark is famous under the fifth *du Pont* factor generally warrants great weight in our overall likelihood of confusion analysis. *See Palm Bay Imports Inc.*, *supra*, 78 USPQ2d 1689 at 1694; *Recot*, *Inc. v. M.C. Becton*, 214 F.3d 1322, 54 USPQ2d 1894 (Fed. Cir. 2000).

The record in this case supports the following findings pertaining to the fame of petitioner's mark under the fifth *du Pont* factor. <sup>12</sup>

Petitioner has been in existence as a national business federation since 1912. (Bokat Depo. at 9-10.)

In numerous articles in the national business press, petitioner is identified as and is widely-reported by business journalists to be the largest and most influential business federation in the United States, representing the interests of some three million businesses of all sizes. For example: <sup>13</sup>

<u>Business Monthly</u> (March 2007): Headline: "Fighting For Business"; Excerpted text: "Thomas Donohue is a force within a force. As president and CEO of the Washington-based US Chamber of Commerce (USCC), he heads the world's largest and most influential business federation, representing the interests and ambitions of more than 3 million businesses via an extensive network of local chambers and association members."

<u>Bloomberg.com</u> (March 12, 2007): Headline: "SEC Should Close Inspections Office, Chamber Urges in Report"; Excerpted text: "The U.S. Chamber of Commerce, the nation's largest business lobby, urged the federal government to loosen regulation of financial markets..."

<u>The Wall Street Journal</u> (March 9, 2006): Headline: "Moving the Market: U.S. Chamber of Commerce Calls For Changes to SEC Enforcement"; Excerpted text: "The U.S. Chamber of Commerce, which is the advocate for millions of businesses of all sizes, undoubtedly has a valuable perspective on a variety of regulatory issues,' SEC Chairman Chris Cox said in a statement."

Likewise, an entry from the web resource <u>Answers.com</u>, which was made of record by respondent, in defining and discussing "chamber of commerce," includes the following statement (citing <u>Small Business Encyclopedia</u>): "At the national level, chambers of commerce function as a unified voice for their affiliates. The U.S. Chamber of Commerce, for example, counts individual companies, affiliate chambers of commerce, and trade and professional associations among its members. Through them, it represents more than three million business organizations and individuals." (Danner Depo. Exh. 49)(TTABVUE 94/3-7).)

\*12 Petitioner is mentioned by name hundreds of times a day in the national and local press on various topics and issues pertaining to the field of business. (Bokat Depo. at 15-16; Peck Depo. at 33-34, 174-77, Exh. 39-40 (TTABVUE 63, 64).) For example:

**Business Week Online** (March 9, 2006): Headline: "A Rap on the SEC's Hard Line; The U.S. Chamber of Commerce is charging that the agency is too punitive in its enforcement practices. But the watchdog's chairman says it has no intention of letting up"; Excerpted text: "The 63-page report by the U.S. Chamber of Commerce is a stinging rebuke of the aggressive enforcement stance the SEC has taken in the post-Enron era."

<u>Chicago Tribune</u> (June 11, 2004): Headline: "Panel urges immigration reform; Newcomers are called key to future"; Excerpted text: "In recent years, corporate interests such as the U.S. Chamber of Commerce have forged an unlikely alliance with labor unions and liberal immigrant advocacy groups, all of whom have a stake in an efficient flow of immigrant workers."

<u>The Washington Times</u> (March 1, 2007): Headline: "Poor education found in states; Business sector grades efforts"; Excerpted text: "U.S. Chamber of Commerce leaders yesterday said states are doing a poor job educating America's children for the future...."

Petitioner issues over one hundred press releases per year to stimulate media coverage of the U.S. Chamber and its policy positions and activities. (Peck Depo. at 38-39, 181-85, Exh. 43 (TTABVUE 63/316).)

Petitioner routinely makes its experts and representatives available to the media for interviews on matters of interest to the business community. Petitioner's former general counsel Mr. Bokat was himself interviewed in the mass media hundreds of times during his career with petitioner. (Bokat Depo. at 66-73.)

Petitioner has presented evidence showing that as of 2006, petitioner had approximately 41,600 dues-paying members of all sizes, including approximately 2,500 regional, state and local chambers of commerce and industry-specific trade associations which in turn have their own memberships. (Kanuch Depo. at 6-13, 67-73, Exh. 1.) <sup>14</sup> We find that the probative value of these numbers is lessened by the fact that petitioner has not provided any context for these membership numbers as compared to those of other, competing national business federations or organizations. <sup>15</sup> However, we have considered these membership numbers in conjunction with the other evidence in the record (discussed above) that petitioner is the largest such business federation in the United States.

Further with respect to petitioner's membership numbers, we note that in 2004 (during the course of this proceeding), petitioner instituted its "Business Federation Program," by which it provides free U.S. Chamber memberships to individual businesses (purportedly numbering some 229,000 in 2006) that are the individual members of petitioner's 2,500 dues-paying local chamber and trade association members. (Kanuch Depo. at 9-10, 32-33, Exh. 1.) Petitioner includes these non-dues-paying federation program members in asserting that it has an "indirect" total membership base of 270,000 members as of 2006. (Id.) However, the record does not show the degree to which or manner in which these essentially "default" members of petitioner are actually involved with, or even familiar with, petitioner itself and its activities, either directly or through their local organizations. <sup>16</sup> We have taken this fact into account in considering petitioner's reliance on its membership numbers as a specific basis for its claim of fame.

\*13 Petitioner has presented evidence showing that in 2006, petitioner had approximately \$160,000,000 in revenue, and expended approximately \$27,000,000 in advertising and promotional efforts. (Kanuch Depo. at 8-9, 13-20, 25, 33-36, 52-64, 67-76, Exh. 2.) <sup>17</sup> Again, the probative value of this evidence is lessened by the fact that petitioner has failed to provide any context for the numbers as compared to those of its competitors in the business association and federation field. However, we have considered these revenue and advertising/promotional expenditure numbers in conjunction with the other evidence in the record (discussed above) that petitioner is the largest such business federation in the United States.

In further support of its claim of fame, petitioner has presented evidence that petitioner and its affiliates annually sponsor a number of conferences, meetings and other events for petitioner's members and the public. (Elzey Depo. at 15-17, 20-55, Exh. 1-7; Logan Depo. at 5-8; Olivera Depo. at 6-18; and Perlman Depo. at 8-9, 13-28, Exh. 1.) However, the record does not reveal the actual number of such events, and does not show the number of attendees at these events, except for a few of them at which the numbers of attendees are not particularly impressive as evidence of fame.

Further with respect to petitioner's reliance on its conferences and events as evidence of fame, we find that petitioner's repeated assertion in its briefs that it sponsors 3,000 such events annually is not supported by the record. Petitioner bases this assertion on a statement contained in a document retrieved from its publications archives called "Beyond Policy: How the Chamber Can Help Your Bottom Line," which is included in a membership and fundraising folder. (Peck Depo. Exh. 37 (TTABVUE 62/282) (Bates No. 56271).) This statement in what essentially is merely a marketing piece (and a similar statement in petitioner's membership application (Cole Test. Depo. Exh. 2 (TTABVUE 49/186)), which petitioner specifically asserts that it is relying on for its truth (Petitioner's Evidentiary Objections Appendix at 10), is hearsay, and we reject petitioner's contentions that the business record hearsay objection of Fed. R. Evid. 803(6) and/or the residual hearsay objection of Fed. R. Evid. 807 apply to it.

In further support of its claim of fame, petitioner has presented evidence that petitioner, through its in-house publishing department, prepares and publishes numerous reports, studies, speeches, transcripts of Congressional testimony, books and other publications. (Peck Depo. Exh. 1-30, 37-38, 43-44 (TTABVUE 57-63).) However, the probative value of petitioner's evidence regarding its publishing activities is lessened by the fact that Mr. Peck, the head of petitioner's publishing department who was petitioner's sole witness on the topic, with only a few exceptions could not testify as to how many copies of the various printed publications submitted as exhibits to his deposition were actually printed by the publishing department. <sup>18</sup> Nor could he testify as to the nature and extent of the distribution of the publications to recipients outside the U.S. Chamber. <sup>19</sup> Mr. Peck also testified that petitioner's publications often are also available for purchase, viewing or downloading on petitioner's website. However, in most cases Mr. Peck could not testify with any specificity as to how many times the publications have actually been accessed or purchased over the website.

\*14 Next, petitioner has presented evidence showing that petitioner's website home page is visited by some 8,000 unique visitors per week. (Peck Depo. at 41, 188-89, Exh. 47 (TTABVUE 63/339).) Petitioner also makes "web stickers" available for download by its members for placement on the members' own websites, which allow members to indicate their membership in the U.S. Chamber and which provide a link back to petitioner's website. (Peck Depo. at 44-46, Exh. 52-53 TTABVUE 64/372).) Also, links to petitioner's website appear on the websites of third parties such as Monster.com in connection with "co-branding" arrangements between petitioner and those third parties. (Peck Depo. at 41-44, Exh. 48 (TTABVUE 63/346).) Mr. Peck did not know how many times the Monster.com link to petitioner's website has been accessed. (Peck Depo. at 194.) He did not know how many other third parties petitioner has such co-branding arrangements with. (Id.)

In further support of its claim of fame, petitioner has presented evidence showing that, from 1978 to 1997, petitioner operated a business-focused cable television network called BizNet, which broadcast from a television studio petitioner had set up in its headquarters building. (Bokat Depo. at 22.) During that time, petitioner produced a weekly syndicated television program called "It's Your Business." (Bokat Depo. at 22-24, 79-80.) Mr. Bokat testified that he does not know the number of stations around the country that had picked up the program, nor does he know what the viewership for the program had been. (Bokat Depo. at 80-81, 84.) Petitioner also produced a daily cable television business news program called "Nation's Business Today" during the 1990's. (Bokat Depo. at 22-23, 81-82.) Mr. Bokat testified that he does not know what the viewership for that program was.

(Bokat Depo. at 85.) Mr. Bokat did not testify as to how or whether petitioner's U.S. CHAMBER marks were used in connection with these television programs in addition to the names of the two programs and/or the name of the network, i.e., BizNet.

Petitioner also currently produces a nationally-syndicated short radio segment called "Speaking for Business." (Bokat Depo. at 86-89; Peck Depo. at 34-37, Exh. 41-42 TTABVUE 63/306).) Mr. Bokat testified that he did not know how many radio stations actually play the segments, in what markets, or how often they are played. (Bokat Depo. at 88.) Mr. Peck likewise did not know these numbers. (Peck Depo. at 178-79.) The radio segments are also available on petitioner's website, but Mr. Peck did not know how many times they have been accessed or listened to through the website. (Peck Depo. at 182.) The record does not show whether or how petitioner's U.S. CHAMBER marks are used in connection with the "Speaking For Business" radio segments.

In further support of its claim that its mark is famous, petitioner relies on an "Online Brand Perception Audit for U.S. Chamber of Commerce," a study commissioned by petitioner in December 2002 and performed by a company called New Media Strategies (NMS). (Cole Depo. Exh. 13, TTABVUE 49/313.) Specifically, petitioner cites to the study's purported findings that 78% of small businesses, 62% of the general public, and essentially all political "insiders" are, in petitioner's words, "aware of the U.S. Chamber." (Petitioner's Main Brief at 17, 31-32.)

\*15 We accord this document little probative value as evidence of fame. The "audit" apparently did not involve any questioning or interviewing of relevant purchasers as to their awareness of petitioner's marks, but rather involved some sort of monitoring and review by NMS of instances where petitioner had been mentioned on Internet websites, chat rooms and message boards. The basis for the specific percentage numbers stated above is not apparent from the report itself as submitted by petitioner, and Ms. Cole testified that she did not know how these numbers were derived. (Cole Depo. at 77-78.)

As noted above, a famous mark is entitled to a broad scope of protection, and such fame, if proven, is entitled to great weight in our likelihood of confusion analysis. On this record and for purposes of this case, we will find that petitioner's U.S. CHAMBER OF COMMERCE mark has achieved a degree of fame as used in connection with its business association services, especially with respect to its lobbying and advocacy activities before the federal government.

# Strength of Petitioner's Mark: du Pont Factor 6 (Similar Marks In Use on Similar Services).

Under the sixth *du Pont* factor, we examine evidence of third-party use of similar marks in connection with similar services, with a view toward determining the strength of petitioner's mark and the scope of protection to which it is entitled. Evidence showing numerous such third-party uses suggests that purchasers are accustomed to distinguishing between such marks based on small differences in the marks. *See Palm Bay Imports, Inc., supra*, 73 USPQ2d 1689 at 1693-94; *Rocket Trademarks Pty Ltd. v. Phard S.p.A.*, 98 USPQ2d 1066 (TTAB 2011). Also, evidence that all or some of the wording in the parties' marks appears in numerous third-party marks can suggest, in the same manner as dictionary evidence, that such wording is inherently weak and has a recognized descriptiveness significance to relevant purchasers, which would lessen any likelihood of confusion that otherwise might result from the parties' common use of that wording in their marks. *See Tektronix, Inc. v. Daktronics, Inc.*, 534 F.2d 915, 189 USPQ 693 (CCPA 1976); *Rocket Trademarks Pty Ltd., supra*, 98 USPQ2d 1066 at 1075-76; *Knight Textile Corp. v. Jones Investment Co.*, 75 USPQ2d 1313 (TTAB 2005).

In this case, the record reveals the existence of a large number of third-party chamber of commerce organizations operating in the United States using names or marks which, like petitioner's and respondent's marks, combine or include the generic words "CHAMBER OF COMMERCE" and some formative of the highly descriptive and/or geographically descriptive designation "U.S." or "UNITED STATES."

\*16 Respondent has made of record the testimony depositions (with exhibits) of witnesses representing several third-party chambers of commerce operating in the United States with marks that include both "U.S" or "UNITED STATES" and "CHAMBER OF COMMERCE." These are: United States Women's Chamber of Commerce (Dorfman Depo., TTABVUE 108-109); U.S.-Mexico Chamber of Commerce (Zapanta Depo., TTABVUE 109-110); U.S. Austrian Chamber of Commerce

(Hofer Depo., TTABVUE 107-108); Spain-U.S. Chamber of Commerce (Brown Depo., TTABVUE 81-82); and United States-Azerbaijan Chamber of Commerce (Iskandarov Depo., TTABVUE 106-107).

Our review of the record also reveals references, from various sources, to at least forty-five third-party chambers of commerce operating in the United States which use marks or names employing both "U.S." or "UNITED STATES" and "CHAMBER OF COMMERCE." These sources include:

- Printouts of records from the online databases of various states' Secretary of State Corporation Divisions (or equivalent) (Resp. 2 nd NOR Exh. 13-205 (TTABVUE 97/85 98/185)); also of record as Danner Depo. Exh. 50 (TTABVUE 94/8-249). 20
- Printouts of various third-party chamber of commerce websites (Danner Depo. Exh. 44, starting at TTABVUE 91/76).
- Listings in the trade directory <u>Business Organizations and Agencies Directory</u> (Danner Depo. Exh. 47, starting at TTABVUE 93/228); also at Respondent's 2 <sup>nd</sup> NOR Exh. 1 (TTABVUE 97/32).)
- Listings in the trade directory Encyclopedia of Associations (Resp. 2 nd NOR Exh. 2, TTABVUE 97/36).
- Listings in the online directory resource 411.com (Danner Depo. Exh. 35, starting at TTABVUE 84/127).
- Listings from the website worldchambers.com (Danner Depo. Exh. 43, starting at TTABVUE 90/66).
- References appearing on various Google "hitlists" retrieved by searches for (a) "'United States' and 'Chamber of Commerce'" (Danner Depo. Exh. 36, starting at TTABVUE 89/107); (b) "U.S.\*'chamber of commerce" (Danner Depo. Exh. 38, starting at TTABVUE 89/170); and (c) "\*U.S.'chamber of commerce" (Danner Depo. Exh. 39, starting at TTABVUE 89/189).

These forty-five examples of third-party chambers of commerce located by the Board in the record are listed below:

U.S. Hispanic Women's Chamber of Commerce. <sup>21</sup>

United States African American Chamber of Commerce. <sup>22</sup>

United States Black Chamber of Commerce. <sup>23</sup>

United States American Indian Chamber of Commerce. 24

United States Christian Chamber of Commerce. <sup>25</sup>

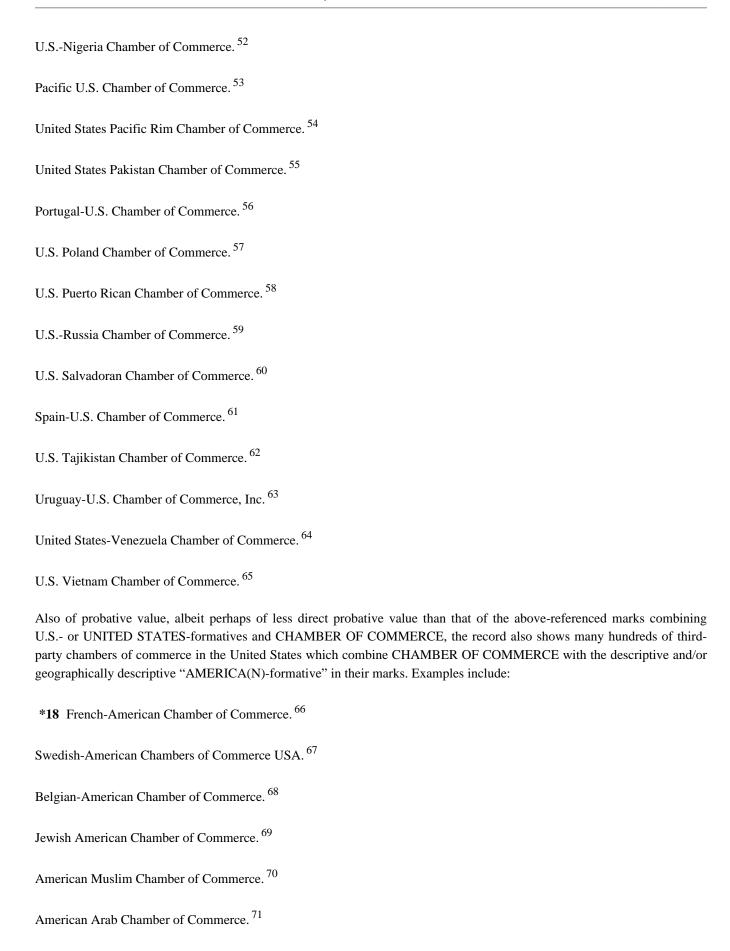
United States Indian American Chamber of Commerce. <sup>26</sup>

U.S. Pan Asian American Chamber of Commerce. <sup>27</sup>

United States Junior Chamber of Commerce. <sup>28</sup>

\*17 U.S. Women's Chamber of Commerce. <sup>29</sup>

U.S. Africa Chamber of Commerce. 30 U.S. Algerian Chamber of Commerce. 31 U.S.-Angola Chamber of Commerce. <sup>32</sup> United States-Arab Chamber of Commerce. 33 United States Asian Chamber of Commerce. 34 United States Austrian Chamber of Commerce. 35 United States Azerbaijan Chamber of Commerce. <sup>36</sup> U.S.-Baltic Chamber of Commerce. <sup>37</sup> Central America-United States Chamber of Commerce. <sup>38</sup> Chile-U.S. Chamber of Commerce. <sup>39</sup> U.S. Chinese Chamber of Commerce. 40 United States Colombian Chamber of Commerce. 41 Costa Rica-United States Chamber of Commerce. 42 United States-Democratic Republic of Congo Chamber of Commerce. 43 Ecuadorian-U.S. Chamber of Commerce. 44 U.S. Egypt Chamber of Commerce. 45 U.S. Guatemala Chamber of Commerce. 46 Indo-U.S. Chamber of Commerce. 47 U.S. Kazakhstan Chamber of Commerce. 48 United States Laotian Chamber of Commerce. 49 United States Mexico Chamber of Commerce. 50 United States-Mozambique Chamber of Commerce. <sup>51</sup>



European American Chamber of Commerce. 72

American Chinese Chamber of Commerce. 73

Italy-America Chamber of Commerce. 74

German American Chamber of Commerce. <sup>75</sup>

Russian-American Chamber of Commerce. 76

As discussed above in connection with respondent's counterclaims, we cannot find that petitioner's mark U.S. CHAMBER OF COMMERCE is a generic designation as applied to a chamber of commerce organization operating in the United States. Based on the evidence set out above, however, and on the face of the mark itself, we find that petitioner's mark, which consists of what we deem to be the highly descriptive and/or geographically descriptive designation "U.S." combined with the obviously generic designation "CHAMBER OF COMMERCE," is highly descriptive and inherently weak as applied to such services.

Indeed, we find that the mark is so highly descriptive and inherently weak as applied to such services that relevant purchasers, including American businesses which are doing business or seeking to do business in the United States or in other countries, upon encountering chambers of commerce operating in the United States using marks or names which include or incorporate the highly descriptive designation "U.S." or "United States" and the generic designation "chamber of commerce," will readily look to other elements in the marks in order to distinguish the various chambers as to source. *See Rocket Trademarks Pty Ltd.*, *supra*, 98 USPQ2d 1066 at 1077.

We acknowledge that the Internet printouts and other documentary evidence of third-party marks submitted by respondent are proof only of what they show on their face, i.e., that these references to third-party chambers of commerce in various sources exist and are readily accessible by basic searches of those sources. However, we will accord them the probative value to which they are entitled. Moreover, as to many of the particular third-party chambers listed above, the record includes references to them from multiple sources, which, when considered together, tend to corroborate each other on the question of these third parties' use of their marks. *In re Broadway Chicken Inc.*, 38 USPQ2d 1559, 1565 n.16 (TTAB 1996).

In any event, whatever the limitations in the probative value of each particular item of evidence as evidence of third-party use, we find that the sheer number of such references to third-party chambers of commerce operating in the United States with marks that combine U.S./UNITED STATES-formatives with CHAMBER OF COMMERCE, together with the testimony of respondent's witnesses from various third-party chambers of commerce as to their chambers' use of such marks, is sufficient, as a whole, to establish the inherent weakness and highly descriptive significance of those designations and of the marks that contain them, including petitioner's mark, as applied to chambers of commerce operating in the United States. *See Rocket Trademarks Pty Ltd.*, *supra*, 98 USPQ2d 1066 at 1077; *In re Broadway Chicken Inc.*, *supra*, 38 USPQ2d 1559 at 1565 n.16.

\*19 Petitioner argues that the evidence does not show any third-party use of "a variant of the 'U.S. Chamber of Commerce' formative in connection with services consumers might perceive as related to the association services or chamber of commerce services at issue here." (Petitioner's Main Brief at 42.) For the reasons discussed above, we disagree. Also and as a general point, to the extent that petitioner might be arguing that the mark and services of a third party will be deemed to be "similar" for purposes of the sixth *du Pont* factor only if they also would be deemed to be confusingly similar under the more stringent standards of the first and second *du Pont* factors, we find that argument to be unsupported and unpersuasive.

Petitioner argues that respondent's evidence of third-party use is insufficient under the sixth *du Pont* factor due to the dissimilarity of the third parties' services from petitioner's services. Petitioner argues that essentially all of these third parties

are what is known as "bi-lateral" chambers of commerce, which are "small, niche organizations that are set up in the United States to encourage and facilitate trade with businesses in a foreign country (or region)," and are directed only to those "with a keen interest in doing business in the foreign country." (Petitioner's Reply Brief at 9.)

This argument is unpersuasive. Initially, we note that the first nine of the forty-five third-party chambers listed above are not such "bi-lateral" chambers. Also, even as to the bi-lateral chambers, although their chamber of commerce services may focus on promoting and facilitating trade in foreign countries, they, like petitioner, still are operating in the United States and rendering their services to American businesses.

Moreover, the record shows that petitioner itself is involved in promoting trade for U.S. businesses in foreign countries, and indeed touts that aspect of its chamber of commerce services. Exhibit 1 to the testimony deposition of Patricia Cole is petitioner's "Member Resource Guide" which is given to new members and which explains petitioner's activities and resources. (Cole Depo. Exh. 1, at Bates 54420, TTABVUE 49/154.) Among those activities and resources is petitioner's "International Division," assertedly devoted to "Representing U.S. Business Abroad." The Guide informs new members that "[t]he Chamber works with more than 100 American Chambers of Commerce Abroad in more than 80 countries, many of which sponsor business development programs and distribute publications about business in particular countries." (Cole Depo. Exh. 1 at Bates 54442, TTABVUE 49/176.)

Petitioner next argues (Petitioner's Reply Brief at 10) that the "U.S.-[country]" bi-lateral marks like 'U.S.-Mexico Chamber of Commerce," on one hand, and marks "in which 'U.S.' modifies a *known descriptive reference* for a large portion of the U.S. population" (Petitioner's Reply Brief at 10; emphasis in original), like "U.S. Hispanic Chamber of Commerce" or "U.S. Women's Chamber of Commerce," on the other hand, are fundamentally different in structure. Petitioner argues that the structure of the geographical bilateral marks distinguishes those marks from petitioner's mark, such that purchasers would not assume an affiliation or connection between petitioner and those bi-lateral chambers, "thus making them irrelevant to the analysis here." (Petitioner's Main Brief at 42, n.19.)

\*20 Petitioner further argues that, conversely, the third-party marks in which "U.S." modifies a broad demographic group in the United States, such as "Hispanic" or "Women's," are in fact similar to petitioner's mark and that purchasers on that basis would assume an affiliation or connection between petitioner and those third-party chambers. Petitioner contends that this purported distinction between bi-lateral chamber marks and demographic group marks in terms of their relevance under the sixth *du Pont* factor is borne out by the fact that there has been actual confusion between petitioner's mark and the demographic group marks UNITED STATES HISPANIC CHAMBER OF COMMERCE and U.S. WOMEN'S CHAMBER OF COMMERCE, but there has been no actual confusion between petitioner's mark and the bi-lateral marks.

We are not persuaded by this argument. First and as a general point, we have already rejected petitioner's apparent or implied argument that in order to be relevant to the analysis under the sixth *du Pont* factor, a third party's mark and services must be so similar under the first and second *du Pont* factors as to cause a likelihood of confusion. (See discussion above.) To the extent that petitioner is now arguing that the only relevant third-party marks and services under the sixth *du Pont* factor are those as to which there assertedly has been actual confusion with petitioner's mark, we likewise reject that argument, *a fortiori*. In any event, and as discussed at length below, we find that petitioner has failed to support its claim that there has been significant actual confusion between the parties' marks in this case.

More specifically as to petitioner's argument based on the purported distinction, for purposes of the sixth *du Pont* factor in this case, between the third-party geographical bi-lateral marks and demographic group marks, we are not persuaded because we find it to be unlikely that relevant purchasers would parse the third-party marks that carefully or distinguish them on that basis. Second, we note again that of the forty-five third-party marks listed above, the first nine in fact are not geographical bi-lateral chamber marks but rather are marks like respondent's which, according to petitioner's proffered distinction, identify chambers directed to different U.S. demographic groups like HISPANIC and WOMEN'S.

Finally, and in any event, we find that regardless of whether the additional designations in the marks modified by "U.S." or "United States" be bi-lateral country designations or demographic group designations, purchasers will use either and both of those designations to distinguish source when they encounter marks like petitioner's and respondent's, which otherwise consist merely of the inherently weak combination of the highly descriptive and/or geographically descriptive designation "U.S."/"United States" and the generic designation "Chamber of Commerce." We disagree with petitioner's contention that "[u]se of bilateral chamber names are simply not dilutive." (Petitioner's Reply Brief at 10.)

\*21 As stated above, we find that petitioner's mark on its face is inherently weak. We further find, under the sixth *du Pont* factor, that the documentary evidence in the record showing the sheer number of references in publicly-available databases and other sources to third-party chambers of commerce operating in the United States with marks that combine U.S./UNITED STATES with CHAMBER OF COMMERCE, as well as the testimony of respondent's witnesses from various third-party chambers of commerce as to their chambers' use of such marks in the United States, are sufficient, viewed as a whole, to establish the inherent weakness and highly descriptive significance of the designations U.S./UNITED STATES and CHAMBER OF COMMERCE and of marks that employ those designations, both in terms of third-party use in the marketplace and in the manner of dictionary definitions.

The predecessor to our primary reviewing court stated long ago:

It seems both logical and obvious to us that where a party chooses a trademark which is inherently weak, he will not enjoy the wide latitude of protection afforded the owners of strong trademarks. Where a party uses a weak mark, his competitors may come closer to his mark than would be the case with a strong mark without violating his rights.

Sure-Fit Products Co. v. Saltzon Drapery Co., 254 F.2d 158, 160, 117 USPQ 295, 297 (CCPA 1958). Likewise in a more recent case involving the mark SPORTSMAN'S WAREHOUSE, the Board stated:

Moreover, it is well settled that when a mark, or a portion of a mark, is inherently weak, it is entitled to a narrow scope of protection. In other words, when a business adopts a mark incorporating a descriptive term, it assumes the risk that competitors may also use that descriptive term.

Bass Pro Trademarks LLC v. Sportsman's Warehouse Inc., 89 USPO2d 1844, 1857 (TTAB 2008).

Similarly in this case, we find that petitioner's mark is inherently weak and highly descriptive, and that it is entitled only to the narrow scope of protection afforded to such inherently weak marks.

# Strength of Petitioner's Mark: Conclusion.

We find that petitioner's mark has achieved a degree of fame for purposes of the fifth *du Pont* factor, and that this fame is entitled to significant weight in our overall likelihood of confusion analysis.

However, we also find, under the sixth *du Pont* factor, that petitioner's mark is highly descriptive and inherently weak as applied to chamber of commerce services rendered in the United States, both on its face and as demonstrated by the abundant evidence of third-party use. In accordance with the above-quoted language from the *Sure-Fit* and *Sportsman's Warehouse* cases, we find that petitioner's mark therefore is entitled only to a very narrow scope of protection vis-à-vis respondent's mark.

\*22 Considering all of the evidence pertaining to the strength of petitioner's mark as contemplated by the fifth and sixth *du Pont* factors, we find, in our overall likelihood of confusion analysis, that the highly descriptive nature and the inherent weakness of petitioner's mark outweighs the marketplace fame of petitioner's mark. We therefore find, as to the strength of petitioner's mark under the fifth and sixth *du Pont* factors, that petitioner's mark on balance is entitled to a narrowed scope of protection.

#### Du Pont Factor 1: Similarity of the Marks.

Under the first *du Pont* factor, we determine the similarity or dissimilarity of petitioner's mark and respondent's mark when they are viewed in their entireties in terms of appearance, sound, connotation and commercial impression. Petitioner's mark is U.S. CHAMBER OF COMMERCE. The mark respondent seeks to register on the Principal Register is depicted below:



Although the marks at issue must be considered in their entireties, it is well-settled that one feature of a mark may be found to be more significant than another in terms of the mark's function as a source-indicator, and it is not improper to give more weight to this dominant feature in determining the commercial impression created by the mark, and in comparing the marks at issue under the first *du Pont* factor. *See In re Chatam International Inc.*, 380 F.3d 1340, 71 USPQ2d 1944, 1946 (Fed. Cir. 2004). "Indeed, this type of analysis appears to be unavoidable." *In re National Data Corp.*, 753 F.2d 1056, 224 USPQ 749, 751 (Fed. Cir. 1985).

In this case, we find that the dominant feature of respondent's mark is its design element, i.e., the circular "seal" with the concentric display of stars and the large depiction of the integrated "H" and eagle feature. This design element comprises the largest and most prominent element of the mark viewed in its entirety. The wording in the mark, UNITED STATES HISPANIC CHAMBER OF COMMERCE, is not only disclaimed as descriptive and generic wording, it also appears in very small lettering in the mark.

Petitioner contends that it is the wording UNITED STATES HISPANIC CHAMBER OF COMMERCE that is the dominant feature of respondent's mark. Petitioner argues:

The "design" of the U.S. Hispanic Chamber composite mark, however, merely functions to add common elements of American federalism - a circular "seal" effect (with the organization's name written around the perimeter), an eagle, stars - and the letter "H" (which stands for "Hispanic").... Indeed, the logo is typical of almost any number of government agencies or departments that use circles, eagles and stars, including the seal of the President of the United States.

\*23 Petitioner argues that consumers will be apt to "filter" these design elements out, and will focus instead on the wording in the mark. (Petitioner's Reply Brief at 16.)

We find this argument to be wholly unpersuasive; neither petitioner nor respondent is a government agency.

Petitioner also argues that in a composite word-and-design mark it is usually the words that dominate the mark, citing *In re Appetito Provisions Co. Inc.*, 3 USPQ2d 153 (TTAB 1986) and *Giant Food, Inc. v. Nation's Foodservice, Inc.*, 710 F.2d 1565, 218 USPQ 390 (Fed. Cir. 1983). We find those cases to be readily distinguishable from the present case. In both of those cases, the wording in the mark was highly distinctive, being either suggestive (APPETITO) or arbitrary (GIANT). In this case, however, the wording in respondent's mark is merely descriptive and/or generic, and disclaimed.

We find that it is the distinctive and prominent design element which dominates respondent's mark. Indeed, we find that the design element dominates respondent's mark to such a large degree that when respondent's mark and petitioner's mark are compared in their entireties, the design element in respondent's mark suffices, by itself, to immediately and clearly distinguish the two marks in terms of appearance and commercial impression.

As for the sound and the connotation of the marks, we find that the marks differ in sound as to "U.S." in petitioner's mark and "UNITED STATES" in respondent's mark, and also as to the presence of the "H" (if vocalized) and the word "HISPANIC" in respondent's mark. In terms of connotation, each mark connotes chamber of commerce services by the use of the words CHAMBER OF COMMERCE, and that each party is rendering its chamber of commerce services in the United States. However, we find that the presence of the word HISPANIC in respondent's mark distinguishes the marks in terms of connotation, in that it informs purchasers that respondent's chamber of commerce services are directed specifically to Hispanic businesses, a connotation petitioner's mark does not have.

In support of its argument that the word portions of the respective marks are similar, petitioner relies on two instances where a person who purportedly was intending to refer to one of the parties referred to the other one instead.

First, petitioner relies on an exchange which occurred in the testimony deposition of respondent's former president, Mr. Nino, during direct examination by respondent's counsel [the "Foundation" is respondent's affiliated foundation, the United States Hispanic Chamber of Commerce Foundation]:

Q. In your understanding, what are the differences between the services offered by the Foundation and by the U.S. Chamber of Commerce?

A. The U.S. Hispanic Chamber of Commerce is real clear. It supports the Hispanic chamber of commerce and its members, its Hispanic business members, to help them with their business and economic development. The Foundation is an educational institution that promotes, molds, enhances the educational experience of Hispanic youth that is looking to go into Hispanic Business or someday work in corporate America or government.

\*24 ...

Q. So how do the services of the Foundation differ from those of the U.S. Chamber of Commerce?

A. Well, first of all, the ones for the Foundation are exclusively for youth. Those of the U.S. Hispanic Chamber of Commerce is for existing business.

Q. No, I'm talking about the U.S. Chamber of Commerce.

A. Oh, the U.S. Chamber of Commerce.

(Nino Depo. at 27-28.)

We are not persuaded that this exchange during Mr. Nino's deposition is probative evidence which supports a finding that the parties' marks are so similar as to create a likelihood of confusion. The deposition transcript shows that essentially all of the questioning by respondent's counsel up to that point had been focused on detailed questions regarding the formation, purposes

and activities of the "United States Hispanic Chamber of Commerce" and its Foundation. The questioning (quoted above) then turned abruptly to a question about the "U.S. Chamber of Commerce." In answering, Mr. Nino obviously thought that the questioning continued to be about the United States Hispanic Chamber of Commerce. His answer referring to the United States Hispanic Chamber of Commerce obviously resulted from his failure to "switch gears" in following the thread of the questioning. We do not agree with petitioner's contention that Mr. Nino said respondent's name when he was meaning to say petitioner's name, or that this is evidence of any confusingly similarity between the parties' names or marks themselves. Instead, it is obvious that he simply misunderstood or misheard the question because, again, he did not realize or follow the abrupt change in counsel's line of questioning.

The second instance upon which petitioner relies in support of its claim that the parties' marks are so similar as to create a likelihood of confusion is a March 24, 2004 speech given by former president George W. Bush at respondent's annual convention. (Petitioner's 4th Notice of Reliance (TTABVUE 64).) In his introductory remarks thanking respondent for his invitation to speak, Mr. Bush named several people affiliated with respondent. At one point he said: "So, Hector Barreto, Sr., I appreciate you here. He's the co-founder of U.S. Hispanic Chamber of Commerce." Then a few seconds later he said: "I appreciate so very much J.R. Gonzales, the Chairman and Acting President of the U.S. Chamber."

Petitioner's 4<sup>th</sup> Notice of Reliance states that this evidence is offered "as an example of how the name 'United States Hispanic Chamber of Commerce' can be and frequently is truncated to just the name 'U.S. Chamber,' which is Petitioner's registered trademark." We assume that by "truncated," petitioner means that Mr. Bush was using "U.S. Chamber" as a shorthand way of referring to the "United States Hispanic Chamber of Commerce." However, we find this proposed interpretation of Mr. Bush's remarks to be highly speculative. Moreover, even assuming that this incident is an instance of a "truncation" of respondent's mark, we find that such a truncation was not due to any similarity between the parties' marks or to any source confusion, but rather is more likely to have been merely an unremarkable misstatement by the former president. It certainly appears to be merely an isolated incident; it does not support petitioner's contention that such "truncation" happens "frequently."

\*25 As discussed at length above in connection with the sixth *du Pont* factor as well as respondent's genericness counterclaims, we find that petitioner's mark U.S. CHAMBER OF COMMERCE is inherently weak. In view thereof, and as the Board stated in *Bass Pro, supra*:

... Moreover, it is well settled that when a mark, or a portion of a mark, is inherently weak, it is entitled to a narrow scope of protection. In other words, when a business adopts a mark incorporating a descriptive term, it assumes the risk that competitors may also use that descriptive term.

Bass Pro Trademarks LLC, supra, 89 USPQ2d 1844 at 1857.

Similarly, the court's analysis in *Sure-Fit* is relevant here. The court was "strongly influenced" by the fact that SURE-FIT and RITE-FIT, for furniture slip-covers, are the "weakest possible type of mark." The court found: "Under these circumstances, we do not feel that appellant [the owner of the SURE-FIT mark] is entitled to the broad protection which it seeks. What appellant is in effect asking us to do is to allow it, at least insofar as registration is concerned, to pre-empt the field as far as the word 'Fit' is concerned." *Sure-Fit Products Co. supra*, 117 USPQ at 297. The court further stated:

It seems both logical and obvious to us that where a party chooses a trademark which is inherently weak, he will not enjoy the wide latitude of protection afforded the owners of strong trademarks. Where a party uses a weak mark, his competitors may come closer to his mark than would be the case with a strong mark without violating his rights.

(*Id*.)

Likewise in the present case, we find that petitioner, although it is claiming to the contrary, essentially is asking us to allow it to preempt the field as far as marks containing both "U.S." and "CHAMBER OF COMMERCE." We find that, given the inherent weakness of petitioner's mark, the features respondent has added to its own mark, most of all the addition of the clearly dominant and prominent design element to the inherently weak wording appearing in its mark, are quite sufficient to distinguish respondent's mark from petitioner's mark, for purposes of our likelihood of confusion analysis in this case.

This is so, notwithstanding the high degree of similarity between the parties' respective services, and the fact that petitioner's mark has achieved a degree of fame. Those factors expand the normal scope of protection to which petitioner's mark is entitled. However, we find that any such expansion is effectively countered and in fact overridden by the inherent and demonstrated weakness of petitioner's mark. We find that the scope of protection to be afforded to petitioner's mark does not extend so far as to preclude registration of respondent's fundamentally dissimilar mark.

\*26 For these reasons, we find, under the first *du Pont* factor, that the parties' marks are dissimilar when compared in their entireties as to appearance, sound, connotation and commercial impression. We have considered all of petitioner's arguments and evidence to the contrary, including those not specifically discussed in this opinion, but we are not persuaded by them.

#### **Du Pont Factor 7: Actual Confusion.**

Under the seventh *du Pont* factor, we consider evidence pertaining to "the nature and extent of any actual confusion." Petitioner asserts that the evidence of record establishes that there have been numerous instances of actual confusion in the marketplace between its mark and respondent's mark as used in connection with the parties' similar services, and that such actual confusion is indeed conclusive evidence supporting a finding of likelihood of confusion. Respondent in turn argues that petitioner's evidence fails to establish that any legally-cognizable actual confusion has occurred.

For the reasons discussed below, we find on this record that petitioner has failed to prove the existence of actual confusion as contemplated by the seventh *du Pont* factor. However, because proof of actual confusion is not required in order to sustain a likelihood of confusion claim, we find that the seventh *du Pont* factor is neutral in our likelihood of confusion analysis in this case.

In making our determination regarding actual confusion, the issue is whether there has been actual confusion among relevant purchasers. *See, e.g., Sunenblick v. Harrell,* 38 USPQ2d 1716, 1728 (S.D.N.Y. 1995), *aff'd without op.*, 101 F.3d 684 (2d Circuit 1996)("the relevant confusion to be avoided is that which affects purchasing decisions, and not confusion generally"). In this case, petitioner argues, and we find, that the relevant class of purchasers for purposes of analyzing actual confusion (and the extent of the opportunity for actual confusion) in this case are Hispanic businesses and chambers of commerce. Petitioner has identified this "market niche" as the relevant class of purchasers for purposes of the actual confusion analysis. <sup>77</sup> It is this class of purchasers that petitioner is claiming have been actually confused by respondent's use of its mark and who are likely to be confused by respondent's continued use of its mark.

Second, our findings as to actual confusion must be based on a consideration of the parties' marks in their entireties, as they appear in their respective registrations. In *Bass Pro, supra*, where the parties' marks included the wording SPORTSMAN'S WAREHOUSE but other elements as well, the Board noted:

\*27 Petitioner has introduced evidence of actual confusion based on each party's use of the term "Sportsman's Warehouse." However, the instances of confusion were based on the term "Sportsman's Warehouse," not on the marks at issue: the marks in petitioner's registration and respondent's registration.

Bass Pro, supra, 89 USPQ2d 1844 at 1858.

In this case, petitioner's registered mark in its entirety is the standard character mark consisting of the highly descriptive and inherently weak wording U.S. CHAMBER OF COMMERCE. Respondent's registered mark in its entirety is the composite mark depicted previously in this opinion, consisting of a highly distinctive circular seal encompassing the H/Eagle and stars design elements and the highly descriptive and/or generic and disclaimed wording UNITED STATES HISPANIC CHAMBER OF COMMERCE. It is these two marks, as registered and in their entireties, that we must consider in our actual confusion analysis.

We turn now to consideration of petitioner's evidence in support of its actual confusion allegations under the seventh *du Pont* likelihood of confusion factor.

#### Petitioner asserts:

As the U.S. Chamber has begun to market itself and its services more aggressively to self-identified women and minority businesses, however, it has repeatedly run into a significant problem. Time and again, women and minorities who have already been exposed to the marks of either of the two specialized chambers operating in those areas mistakenly believe that petitioner's use of its marks is actually a reference to one of the specialized chambers. This 'reverse confusion' significantly restricts the U.S. Chamber's ability to use its registered U.S. CHAMBER OF COMMERCE marks for the full range of covered services."

# (Petitioner's Main Brief at 21.) Petitioner similarly asserts:

... there has been real confusion in the marketplace ever since the parties began marketing to the same groups of consumers. Indeed, the record evidence does not reflect a mere "[f]our or five tenuous instances of actual confusion" over twenty-five years, as Respondent would like to suggest, *see Resp. Br. p.3*, but rather *dozens* of instances *during just the past few years*, which is when the parties began to compete with one another in earnest.

# (Petitioner's Reply Brief at 1; emphasis in original.)

Petitioner also asserts: "Once the U.S. Chamber began actively reaching out to Hispanic-owned businesses, however, marketplace confusion quickly followed. The problem of 'actual confusion,' is therefore not de minimus ... but, rather, represents a real and growing threat." (Petitioner's Reply Brief at 1.)

In support of these assertions, petitioner has submitted and relies on the testimony depositions (with exhibits) of its witnesses Lucia Olivera, Rita Perlman, Lydia Logan, and Daniel Ramos. We shall take each of these witnesses in turn. <sup>78</sup>

# Lucia Olivera. 79

\*28 Ms. Olivera currently is the manager for federation outreach for petitioner's Political Affairs and Federation Programs division. She formerly was associate manager for petitioner's "Access America" program. (Olivera depo. at 5.)

#### Ms. Olivera testified:

Access America is a program that was to provide information and resources to minority and women organizations. We had a website that had information on how to get certified if your business was 50 percent or more minority or women owned. We were trying to provide information for people wanting to do business with bigger organizations, information on supplier diversity programs, trying to get more minority and women owned businesses to attend the Chamber's small business summit, things like that.

(Olivera Depo. at 6-7.) Also, Ms. Perlman, the former executive director of the program, testified: "Access America is the U.S. Chamber of Commerce's women and minority outreach initiative. Through that program we put together events, put together

information resources, and managed a task force of individuals to target ethnicity groups to join the Chamber and help in the retention of membership." (Perlman Depo. at 8.)

Ms. Olivera testified, as to her responsibilities as associate manager of Access America, that she attended conferences, lunches, dinners, receptions and trade shows. "The objective was to tell people about the U.S. Chamber and about what the U.S. Chamber was doing for women and for minorities and to ultimately get them to join the Chamber and become members." (Olivera Depo. at 10-11.)

The Access America program was begun in Spring 2002, shortly before these proceedings began. (Perlman Depo. at 39.) The program was terminated in December 2006, during the course of this proceeding. (Olivera Depo. at 47.)

In Fall 2006, Ms. Olivera attended respondent's annual National Convention and Business Expo, on behalf of Access America. (Olivera Depo. at 19-23.)

The Expo hosted some 4,000 attendees. (Lopez Depo. at 75.) They largely were representatives from local Hispanic Chambers of Commerce and Hispanic small business owners. (Olivera Depo. at 19-23.)

When she was asked why petitioner decided to have her attend this conference on behalf of Access America, Ms. Olivera testified:

Access America is a program that was targeted to minorities and women, and Hispanics are a large minority. We knew there would be a lot of Hispanics attending the conference, and we wanted to tell them about the U.S. Chamber of Commerce and the Access America program, so we thought it would be a good place to meet people to do that, people who would be interested in what we do.

(Olivera Depo. at 20-21.)

The convention featured many networking opportunities. (Olivera Depo. at 22-24.) Like all of the events she had attended on behalf of Access America, Ms. Olivera attended the convention largely in order to network with attendees, "and I would try to tell them about the U.S. Chamber and about what we did, and I would find out about their business and try to find a way to tell them that they should become members of the U.S. Chamber." (Olivera Depo. at 24.) Ms. Olivera testified:

\*29 Q. And what did you tend to do at these conferences and other events?

A. When I attended these events I would just go and talk to people and introduce myself, I would tell them that I was with the U.S. Chamber of Commerce and ask them if they were familiar with us, and typically they would say right away that they were familiar with us. I would tell them about the Chamber, ask them about their business, and try to find a connection between how the Chamber could help them and get their business cards and follow up with them.

Q. And when you would introduce yourself to people with whom you were networking at these events, how would you tend to introduce yourself?

A. Lucia Olivera with the U.S. Chamber of Commerce.

(Olivera Depo. at 12.)

At the convention, Ms. Olivera wore a convention name badge that identified her as "Lucia Olivera" above the words "U.S. Chamber of Commerce." Her badge, like all of the attendees' badges, also displayed respondent's logo (the mark respondent

seeks to register). (Olivera Depo. at 27-28.) At the convention, respondent's logo was prominently displayed; "They had their logos everywhere, their names everywhere. It was their convention." (Olivera Depo. at 156.)

#### Ms. Olivera testified:

The first day that I got there, every time I introduced myself I would introduce myself as Lucia Olivera with the U.S. Chamber of Commerce, and right away the person I was talking to would say, "Oh, you're with the U.S. Hispanic Chamber of Commerce," or, "Oh, you are with USHCC", or "Oh, so you work with so and so in the Hispanic Chamber," or "Oh, we work with your boss a lot, Michael." I would have to clarify that I was with the U.S. Chamber of Commerce, not with the U.S. Hispanic Chamber of Commerce, and I would say something like, we represent Hispanics and non-Hispanics, or, we represent all business, or, we don't discriminate, ha-ha-ha. It basically happened every time I introduced myself to somebody at that conference. By the second day, when I introduced myself, to avoid confusion I would right away introduce myself as Lucia Olivera with the U.S. Chamber of Commerce, not the U.S. Hispanic Chamber of Commerce, or Lucia Olivera with the U.S. Chamber of Commerce, the one that serves all races or things like that. ... I was trying to avoid confusion because I realized on the first day that everybody that I talked to pretty much was confusing me - right away when I said that I was with the U.S. Chamber of Commerce, everybody assumed that I was with the U.S. Hispanic Chamber of Commerce, so I was trying to be proactive and avoid confusion by doing that.

(Olivera Depo. at 25-27.)

Ms. Olivera testified that she engaged in dozens of these types of conversations on the first day of the convention. (Olivera Depo. at 106-108).

When asked about the fact that respondent's logo was displayed on her convention name badge, Ms. Olivera testified: \*30 Q. Do you believe the confusion was caused by having the same logo on it?

A. Do I believe the confusion was brought on by the logo?

Q. Yes, at least in part.

A. I don't know.

Q. Well, in your particular instance do you believe that you were confused, that your place of employment was confused because you were wearing the badge with the logo on it?

A. I don't know what the confusion was about. I couldn't say. I mean, I never asked them, "Oh, did you confuse me because of the logo?" I have no way to know why they were confused. I just know they were.

Q. Did anybody at the convention tell you that the confusion was caused because you were wearing a badge with the Hispanic Chamber logo on it?

A. No.

(Olivera Depo. at 100-102.)

Ms. Olivera testified that as to these conversations she had at the respondent's convention, she cannot now name any specific person or organization who was actually confused as to respondent's and petitioner's names or organizations. (Olivera Depo. at 131-32.)

Ms. Olivera also testified that, during her time at Access America, she also had attended four or five other conferences, as well as various lunches, dinners, receptions, and trade shows, all on behalf of Access America. (Olivera Depo. at 10, 51-52.) Ms. Olivera testified that respondent's conference was the only time that she ever experienced any instances of apparent confusion, either before or after. (Olivera Depo. at 64-65, 155-56, 162-63.)

Petitioner argues that Ms. Olivera's testimony establishes numerous incidents of "reverse confusion," where attendees at respondent's own convention, at which respondent's logo was prominently displayed, including on Ms. Olivera's convention name badge, mistakenly assumed that she was with the United States Hispanic Chamber of Commerce, even though she introduced herself clearly as being from the U.S. Chamber of Commerce. Petitioner argues that these convention attendees are the very businesses and organizations to whom petitioner is marketing its chamber of commerce services.

Respondent, for its part, argues that Ms. Olivera's testimony is merely anecdotal, that it does not identify any specific persons or organizations that allegedly were confused, nor the actual reasons for any such alleged confusion.

We find Ms. Olivera's testimony as to her experiences at respondent's convention to be unpersuasive and insufficient as evidence of actual source confusion, whether forward confusion or reverse confusion, caused by any alleged similarity between petitioner's and respondent's respective marks as viewed in their entireties.

We find that the attendees at respondent's convention, made up of Hispanic businesses and chambers of commerce, are among the relevant class of purchasers for purposes of our actual confusion analysis in this case.

However, we find that the probative value of Ms. Olivera's testimony as to these alleged instances of actual confusion is significantly lessened by the fact that her testimony is largely anecdotal. Of these allegedly dozens of conversations with convention attendees, Ms. Olivera could not identify any specific allegedly-confused persons with whom she had spoken, or the organizations they worked for. This is so, despite the fact that her whole purpose in attending the convention was to network with the attendees and get their business cards and contact information, so that she could later undertake follow-up efforts to recruit them as potential new members of the U.S. Chamber.

\*31 We also find that these alleged instances of actual confusion are just as readily explainable by the fact that Ms. Olivera was attending respondent's own convention. In this regard, we find it to be significant that Ms. Olivera had attended four or five other minority-focused conventions and events on behalf of Access America, presumably events at which Hispanic businesses or chambers of commerce were present, but the only time she ever experienced any instances of alleged actual confusion was when she went to respondent's own convention. She had introduced herself at these other events in the same way that she had introduced herself at respondent's convention, i.e., "Lucia Olivera with the U.S. Chamber of Commerce." No one ever mistakenly assumed that she was with the United States Hispanic Chamber of Commerce at any of these events.

Finally, we cannot conclude on this record that the alleged actual confusion, if in fact it occurred, was based on the parties' marks viewed in their entireties. As discussed at length above, petitioner's mark consists of the highly descriptive and inherently weak wording U.S. CHAMBER OF COMMERCE. Likewise, the wording in respondent's mark, UNITED STATES HISPANIC CHAMBER OF COMMERCE, is inherently weak. Respondent's mark, viewed in its entirety, includes its dominant circular seal design element. There is no evidence that the allegedly confused persons with whom Ms. Olivera conversed at the convention, if they in fact were confused, were confused as a result of their seeing respondent's logo mark as a whole, either as it appeared on Ms. Olivera's name badge or elsewhere at the convention. Ms. Olivera testified that she did not know if the allegedly confused persons were confused by the logo mark, either in whole or in part, and she specifically testified that no one ever told her that they were confused on that basis. We conclude that if there was any actual confusion at respondent's convention, it would likely have been caused merely by the appearance or verbal use of the inherently weak wording in petitioner's and respondent's marks in the conversations Ms. Olivera engaged in, and not as a result of any confusion as to respondent's mark as a whole.

In short, we are not persuaded that Ms. Olivera's experiences at respondent's convention necessarily were the result of actual confusion between petitioner's mark and respondent's mark on the part of convention attendees. Her testimony is merely anecdotal, and does not support a finding that the alleged actual confusion, if it occurred, was caused by respondent's mark as a whole and not merely by the common presence in both marks of the highly descriptive and inherently weak designations U.S./ UNITED STATES and CHAMBER OF COMMERCE.

# Rita Perlman. 80

Ms. Perlman is currently Director of Operations for the Institute for Legal Reform, an affiliate organization of petitioner. (Perlman Depo. at 4-5.) Previously, she was the executive director of petitioner's Access America program, from January 2005 through the program's termination in December 2006. (Perlman Depo. at 7.)

\*32 Petitioner relies on Ms. Perlman's testimony to establish two instances of purported actual "reverse confusion" between petitioner's and respondent's marks.

First, in Fall 2006, Ms. Perlman, on behalf of Access America, attended an event sponsored by the Minority Business Enterprise in Washington, D.C. The Minority Business Enterprise is a government agency directed toward helping minority business enterprises do business with the federal government and supporting minority business in general. (Perlman Depo. at 28.) It holds an annual conference attended by some five hundred minority business owners and entrepreneurs, including Hispanic-owned businesses and state and local Hispanic chambers of commerce. (Perlman Depo. at 28-29, 77-78.) Ms. Perlman testified: I was attending the exhibit hall, and at one point in time I went over to - it was a Florida Hispanic Chamber of Commerce, and I introduced myself and had some confusion in that conversation as well. ... I went up, and I was excited because now with Lucia [Olivera] coming on board I was able to do more outreach to ethnicity groups and not just focus on women. And when I went up to a gentleman looking for liaison partners I introduced myself as Rita Perlman from the U.S. Chamber of Commerce, and he instantly said, "Oh, you're with the Hispanic Chamber of Commerce," and I said, "No, I'm with the U.S. Chamber of Commerce." He was a little confused, not really understanding who the U.S. Chamber of Commerce was, but he was familiar with the Hispanic organization, and so I clarified with him, you know, what our organization did and why I was representing women and wanting to become possibly a partner to understand what his Chamber of Commerce was doing down in Florida.

(Perlman Depo. at 28-29.) During cross-examination regarding this incident, Ms. Perlman also testified:

I guess he made some assumption, I don't know exactly, but there was confusion about the fact that they thought that I was with the U.S. Hispanic Chamber. .... Through that conversation he may have assumed that, but I can't speak to him because I don't know what his thinking was when he asked me that question.

As for the second instance of purported actual reverse confusion involving Ms. Perlman, petitioner relies on Ms. Perlman's testimony (Perlman Depo. at 31-34) regarding an incident at a January 2007 reception in Washington, D.C. hosted by the Congressional Hispanic Caucus. She testified:

There was an instance where I was invited by our congressional office and independently got an invitation to the inauguration or I should say the induction of the new Congress, the Congressional Hispanic Caucus group here in D.C. ... And I went over, again just to be supportive and representative of the Chamber, and when I walked around and introduced myself as Rita Perlman from the U.S. Chamber, because it was a Hispanic event, they again thought I was from the Hispanic Chamber. And in conversations it was just, "Hello, I'm Rita Perlman from the U.S. Chamber representing women and minority functions," and somebody would turn to me and say, "Oh, you're representing the Hispanic Chamber," and I would say "No, I'm representing the U.S. Chamber." But because it was a Hispanic event by default - I can't say for sure why that person asked me that question, but what I can tell you is there was confusion as to what organization I belonged to.

\*33 (Perlman Depo. at 30-32.) Regarding this incident, Ms. Perlman also was asked, "Why do you believe those people experienced confusion at that event?" She answered, "Again, I can't speak to what the other individuals were thinking." (<u>Id</u>.) <sup>81</sup>

We find that Ms. Perlman's testimony regarding the incident at the Minority Business Enterprise event in Fall 2006 is not persuasive evidence of actual confusion, either reverse or forward.

First, we find that the unidentified gentleman from the Florida Hispanic Chamber of Commerce was a relevant purchaser for purposes of our actual confusion analysis in this case.

However, when Ms. Perlman introduced herself to this gentleman as "Rita Perlman from the U.S. Chamber of Commerce," "[h]e was a little confused, not really understanding who the U.S. Chamber of Commerce was...." Also, Ms. Perlman specifically testified that "I don't know what his thinking was when he asked me that question." We do not know either, and we will not assume or infer based solely on her testimony here that the unidentified gentleman was actually confused as to the source of petitioner's services vis-à-vis respondent's services based on any confusing similarity between the marks. Moreover, petitioner has not shown that the alleged confusion was based on the parties' marks as a whole, and not merely on the common use in both marks of the inherently weak designations U.S./UNITED STATES and CHAMBER OF COMMERCE.

As for the second incident, at the Congressional Hispanic Caucus reception, we likewise find that Ms. Perlman's merely anecdotal testimony fails to establish that there in fact was any actual confusion.

First, we find that her testimony does not establish the identity of these allegedly confused "other individuals" and the organizations they represented, and we cannot conclude that they necessarily were members of the relevant class of purchasers in this case, i.e., Hispanic businesses and chambers of commerce. The fact that it was a Hispanic-focused event does not necessarily mean that the allegedly confused "somebody" was from the class of relevant purchasers of the parties' services.

Second, Ms. Perlman testified regarding this incident, "Again, I can't speak to what the other individuals were thinking." We do not know either, and we will not just assume or infer based solely on her testimony here that anyone was actually confused as to the source of petitioner's services vis-à-vis respondent's services based on any confusing similarity between the parties' marks.

Finally, the alleged actual confusion has not been shown to have been based on respondent's mark as a whole, rather than merely on the common use in both marks of the inherently weak designations U.S./UNITED STATES and CHAMBER OF COMMERCE.

# Lydia Logan.

\*34 Ms. Logan is the Executive Director of the "Institute for a Competitive Workforce," an organization affiliated with petitioner. (Logan Depo. at 4-5.)

In November 2006, she attended a fundraiser (with her husband and friends, in her personal capacity and not as a representative of petitioner) for a charity called Mary's Center, a non-profit organization providing social services and healthcare to those in need in the Washington, D.C. metro area, including a significant number of Hispanic clients. (Logan Depo. at 11-12.)

At the fundraising event, there was a professional photographer who took her group's picture. Ms. Logan testified (Logan Depo. at 13-14):

Q. Okay. And did you interact with the photographer?

A. I did.

- Q. And can you, please, describe your interaction with the photographer?
- A. He asked me my name and where I worked.
- Q. And what did you tell him?
- A. I told him Lydia Logan and that I worked at the U.S. Chamber of Commerce.
- Q. And did he respond to your description?
- A. He wrote it down.
- Q. And what did he write down?
- A. I couldn't see his tablet.

Exhibits 1 and 2 to Ms. Logan's deposition are a hard copy and an online printout of a page from the November 17, 2006 issue of the Spanish-language newspaper Washington Hispanic, reporting on the Mary's Center event. <sup>82</sup> The page includes a photograph of Ms. Logan and her husband and friends at the event, presumably the photograph taken by the photographer mentioned by Ms. Logan above. The caption for the photograph reads: "Scott Logan, de Monster Worldswide; Lydia Logan, U.S. Hispanic Chamber of Commerce; Kathy Padian, Building Hope; con ellos Tom Lane y su esposa Kimberly, de Children's National Medical Center." In her deposition, Ms. Logan translated the caption as "Scott Logan, of Monster Worldswide; Lydia Logan, U.S. Hispanic Chamber of Commerce; Kathy Padian, Building Hope. With them, Tom Lane and his wife, Kimberly, of Children's National Medical Center." (Logan Depo. at 28.)

During cross-examination, Ms. Logan testified that no one has ever asked her as a result of the photo in the <u>Washington Hispanic</u> newspaper whether she works for respondent. (Logan Depo. at 129-30.)

We find that this incident with Ms. Logan is not evidence of any actual confusion among relevant purchasers, whether reverse confusion or forward confusion. The testimony does not establish the identity of the supposedly-confused person, be it the photographer, or perhaps a newspaper reporter or editor at the <u>Washington Hispanic</u> newspaper, none of whom would be a relevant purchaser here in any event. Also, the incident of alleged actual confusion was not based on respondent's mark as a whole, i.e., it did not involve the design element of respondent's mark. Ms. Logan's testimony does not suggest, much less establish, what the cause of the apparent mistake was, and we find that petitioner's contention that this was an instance of actual confusion to be mere conjecture.

# **Daniel Ramos.**

\*35 Petitioner took the third-party testimony deposition of Daniel Ramos on April 21, 2008. <sup>83</sup> Mr. Ramos is president of National Hispanic Corporate Achievers, Inc. (NHCA), an organization that works to support the hiring, retention and promotion of Hispanic executives within corporate America. (Ramos Depo. at 6-7.)

Petitioner relies on two aspects of Mr. Ramos' testimony to support its claim of actual confusion. First, petitioner relies on his testimony concerning a piece of mail sent by his organization which was intended for respondent's former president Michael Barrera but which was incorrectly addressed and mailed to petitioner's headquarters instead. Second, petitioner relies on Mr. Ramos' testimony regarding his own perceptions as to whether petitioner and respondent are likely to be affiliated based on their respective names. We shall address each of these in turn.

# **Incident of Misdirected Mail** 84

As of January 2008, Mr. Ramos's organization NHCA had been involved in trademark litigation against another third-party nonprofit organization named "Hispanic Association of Corporate Responsibility" (HACR). (Ramos Depo. at 7-8.)

In 2007 and 2008, HACR's website included a listing of the members of its board of directors, along with the names of their affiliated organizations. (Matsumoto Depo. at 6-8, Exh. 1 and 2.) <sup>85</sup>

Michael Barrera, respondent's then-president, was a member of the HACR board of directors in 2007. (Matsumoto Depo. at 8-10, 14, Exh. 1.) He was listed as such on HACR's 2007 website with the other directors, and was identified on the website as the President and CEO of the "United States Hispanic Chamber of Commerce." (Matsumoto Depo. Exh. 1.)

The HACR 2007 website did not include the mailing addresses of the board members and their organizations, including the address for Mr. Barrera and respondent. (Matsumoto Depo. at 9-10, Exh. 1 and 2.)

During the course of the NHCA/HACR litigation, NHCA decided to send letters regarding the litigation to each of the members of HACR's board of directors listed on HACR's 2007 website. (Ramos Depo. 8, 16.)

In preparation for mailing the correspondence to each of the HACR board members, NHCA volunteers, per Mr. Ramos' instructions, attempted to locate the mailing addresses of the HACR board members' respective organizations, most likely by searching the Internet for those organizations. (Ramos Depo. at 18-20.) Upon locating the apparent mailing addresses, the volunteers prepared mailing labels to attach to the envelopes which contained the correspondence to be mailed to each of the HACR board members at their organizations. The envelopes as addressed then were mailed. (Ramos Depo. 9, 18-19.)

The envelope addressed to Mr. Barrera (respondent's then-president) as an HACR director was addressed as follows:

Michael L. Barrera

United States Chamber of Commerce

\*36 1615 H Street, NW

Washington, DC 20062-2000

(Ramos Depo. Exh. 1). On the envelope, Mr. Barrera's name, as an HACR board member, was set out correctly, but his organization was identified on the envelope as "U.S. Chamber of Commerce," and not the name of the correct organization as it appeared on the HACR website, i.e., "United States Hispanic Chamber of Commerce." The H Street address to which the envelope was mailed is petitioner's headquarters address.

No one from petitioner is included on the list of the HACR 2007 and 2008 websites' list of HACR board of directors, and petitioner does not appear by name on the HACR website. (Matsumoto Exh. 1, 2.)

We find that this is not evidence of actual confusion among relevant purchasers. The particular circumstances surrounding the mistake are not established by the record, and may well have been due to a simple misprint or mere sloppiness on the part of the NHCA volunteer(s) in preparing the mailing labels for the correspondence, who simply misread or mis-remembered respondent's name as it was set out on the HACR website when they searched for respondent's mailing address. These volunteers are not relevant purchasers in this case. Moreover, the apparently misdirected mail did not involve respondent's mark as a whole as it appears in respondent's registration, i.e., it did not involve the distinctive design element of the mark.

# Daniel Ramos' personal opinions regarding a possible affiliation between Petitioner and Respondent.

In addition to his position at NHCA, Mr. Ramos is the Director of the Seminole County chapter of the Hispanic Leaders Chamber of Commerce of Florida. (Ramos Depo. at 33-34.) Mr. Ramos testified (Ramos Depo. at 10-13):

- Q. Okay. Are you familiar with the U.S. Chamber of Commerce?
- A. By name and by some contacts there that I've never contacted but through newspapers and the grapevine. But I don't have contact with them directly.
- Q. Are you familiar at all with the U.S. Hispanic Chamber of Commerce?
- A. Same thing. You know, I may know some people that go to their annual event and but I've never done business with them.

...

- Q. ... To the best of your understanding, have you ever believed there was any sort of connection or affiliation between the U.S. Chamber of Commerce and the U.S. Hispanic Chamber of Commerce?
- A. I don't have any direct knowledge about that. But based upon the closeness of the name, I would have thought there is some kind of affiliation.
- Q. And why do you say that?
- A. Because one is United States and the other is United States and they're both chambers of commerce. ... That's a personal opinion. ... Because I really don't know what affiliation they have with each other.
- Mr. Ramos also testified (Ramos Depo. at 24-26):
- Q. You said that you believe that there was some affiliation between United States Chamber of Commerce and United States Hispanic Chamber of Commerce?
- \*37 A. That's an assumption.
- Q. What's the basis of your assumption?
- A. The similarity in the name.

He also testified (Ramos Depo. at 29-32):

- Q. You also stated earlier today that you assumed that United States Chamber of Commerce and United States Hispanic Chamber of Commerce worked together. What's the basis of your assumption?
- A. The basis of my assumption is the similarity in the organizational presentation.
- Q. The "organizational presentation," what does that mean?
- A. That means the name. The name sounds very similar. It's just United States. They both start with United States, they're both chamber of commerce. That's an assumption on my part. It's not, by any means, you know, anything other than that. It's just an assumption based upon the name.

Mr. Ramos also testified (Ramos Depo. at 12):

Q. Have you, at any time, thought that the U.S. Hispanic Chamber of Commerce might be an affiliate or subsidiary of the U.S. Chamber of Commerce because of the similarities of the names?

- A. I would, at least, think they work together.
- Q. What do you mean by that?
- A. That they have some kind of interactive common ground that they share sponsorship opportunities or relationships.
- Q. And I'm not sure I understand the interactive I'm not sure if I understand what you mean by that.
- A. A working relationship. A working relationship.
- Q. A working relationship based on the commonality of interest or working relationship based upon some sort of probable affiliation -
- A. Both.
- Q. on the organizational level?
- A. Both.

When he was asked whether he knew of other chambers of commerce that are "affiliated" because they "work together," Mr. Ramos testified (Ramos Depo. at 32):

- Q. Okay. You mentioned you know that Orlando Hispanic chamber of Commerce and Orlando Chamber of Commerce are affiliated?
- A. I don't know how they're affiliated. I really don't really don't know. I know they work together but I don't know how they're affiliated.
- Q. How do you know they work together?
- A. Because I've attended events where both names appear, I've seen their name jointly on printed material.

Also regarding these two Orlando chambers, Mr. Ramos testified: "There's direct affiliation with them and I don't know the definition of that affiliation but I know they work very closely together to do mutual projects." (Ramos Depo. at 11-12.)

We find that Mr. Ramos' testimony regarding his personal assumptions as to whether petitioner and respondent are related based on their respective names is not persuasive evidence of actual confusion.

We find that Mr. Ramos, as director of a Hispanic-focused chamber of commerce, is a relevant purchaser for purposes of our actual confusion analysis.

However, we find his testimony to be very vague and speculative, and derived from highly suggestive and leading questioning by counsel.

\*38 Also, Mr. Ramos' alleged actual confusion was not based on the marks at issue in their entireties, i.e., as the result of comparing petitioner's mark, on one hand, with respondent's composite mark with its distinctive design feature, on the other hand. Rather, it clearly was based solely on what he perceived to be the similarity between the highly descriptive and inherently weak elements "U.S." or "United States," and "chamber of commerce" in both marks. "They both start with United States, they're both chamber of commerce"; and "[b]ecause one is United States and the other is United States and they're both chambers of commerce."

Moreover, his testimony that he would assume that there is an "affiliation" between petitioner and respondent must be considered in light of his apparent conception of what such an "affiliation" entails. Repeatedly, he indicated that he was assuming that two chambers of commerce (like petitioner and respondent, or the two Orlando chambers) are "affiliated" if they have a "working relationship" or "work closely together to do mutual projects." His apparent assumption that two chambers, i.e., petitioner and respondent, would be "affiliated" because they have a "working relationship" or because they "work closely together to do mutual projects" does not prove that Mr. Ramos does not distinguish, or would not be likely to distinguish, based on the parties' marks, the two chamber organizations from each other as to the *source* of their respective services, which is the issue before us. <sup>86</sup>

# **Actual Confusion: Conclusion.**

We have carefully considered all of the evidence and testimony that petitioner has submitted in support of its claim that actual confusion has occurred. For all of the reasons discussed above, we are not persuaded by that evidence that legally cognizable actual confusion has occurred, or that any such confusion is more than merely *de minimis*.

Of course, petitioner is not required to establish the existence of actual confusion in order to support its likelihood of confusion claim. For that reason, we find that the seventh *du Pont* factor, "the nature and extent of any actual confusion" is neutral in our overall likelihood of confusion analysis in this case.

## Du Pont Factor 10: Market Interface.

One of the *du Pont* likelihood of confusion factors, factor 10(d), provides that one issue that can be relevant to the determination of likelihood of confusion is the "market interface between applicant and the owner of the prior mark" [who would be respondent and petitioner in this inter partes proceeding, respectively], including "laches and estoppel attributable to owner of prior mark and indicative of lack of confusion."

\*39 The record reveals the following facts with respect to the parties' relationship over the years which are relevant to du *Pont* factor 10(d).

Respondent has been a dues-paying member of petitioner since 1981. (Nino 41-42.)

Since 1990, Respondent's main office is within a mile of petitioner's headquarters in Washington, D.C. (Nino Depo. at 20-22.)

Shortly after he arrived in Washington, Mr. Nino, respondent's former president, visited petitioner's offices and introduced himself, as president and CEO of respondent, to Mr. Workman, who was petitioner's "vice-President of International" and to Mr. Donohue, petitioner's president. Mr. Nino told them that respondent had moved nearby. Mr. Workman and Mr. Nino exchanged cards, and Mr. Nino left him a packet of information about respondent's upcoming convention in Chicago. (Nino Depo. at 39-41.)

Mr. Nino, in his capacity as respondent's president, and other of respondent's senior officials were regularly invited to petitioner's events. At several events, respondent "purchased an entire table, or even two tables, for petitioner's events, usually at a hefty

price." (Nino 105-107.) "I'd also buy a table from them and I'd support the U.S. Chamber by doing that. I'd go and call my board members and I would sit my board chairman at the head table with Tom Donohue or with his predecessor." (Nino Depo. at 43-44, 60-63.)

"They would have events where they would invite different people. ... For example, when Vicente Fox became president... I was called because I was the former president of the U.S. Hispanic Chamber of Commerce. I was asked to be there. And even after I left, they would still call on me to participate in events, even after I left as president of the Chamber. That's how good our relationship was and all the friends that I had made there. Because they're real good people there." (Nino Depo. at 44-45.)

Petitioner's officials have regularly been invited to and have been frequent attendees at respondent's events. (Nino Depo. at 46, 51-52, 73-75, 92-93, 94-95, 95-96, 127-128.)

At respondent's first annual legislative conference, petitioner's "vice president Workman showed up. ... He showed up and supported us." He knew about the conference because "I sent him an invitation and called him and invited him." The invitation was addressed directly to Mr. Workman. Mr. Nino talked to Mr. Workman at the conference: "Sure, I introduced him to our people," including respondent's chairman of the board. (Nino Depo. at 45-47.)

Respondent's legislative conference was an annual event. "... And throughout them, members of the U.S. Chamber of Commerce have attended, whether it was Workman, whether it was some of the other guys. And at some of them, the employees or leadership of the U.S. Chamber of Commerce spoke. They addressed the convention or - they addressed the members of the U.S. Hispanic Chamber of Commerce and the attendees." (Nino Depo. at 51-52.)

\*40 Mr. Nino also testified, "It's not unusual for Hirschmann [another of petitioner's vice-presidents] to be a panelist to the organization. He had - was very aware of the organization, had been participating with us for quite some time, several years, as a matter of fact, and had attended several of our conferences or annual events." (Nino Depo. at 76-77.)

At the third trilateral NAFTA conference in Banff, Alberta, Canada, Mr. Nino met petitioner's chairman of the board, Mr. Little. Mr. Nino collaborated directly with Mr. Little, Mr. Workman, and Mr. Hirschmann: "We would sit around a big table, all the leadership of the chambers of commerce, and we would talk about how we're supporting each other in different areas and what areas still needed more support from us." At these sessions discussing NAFTA, Mr. Little knew who Mr. Nino was and that he represented respondent. (Nino Depo. at 57-60.)

In September 2004, William Kovacs, another of petitioner's vice-presidents, was a speaker at respondent's legislative conference at which then-President George W. Bush was also a speaker. (Nino 77-81.)

Likewise in 2006 and 2007, Mr. Kovacs spoke at respondent's annual legislative conference, where respondent's name and logo were prominently displayed. (Nino Depo. at 77-78.)

In 2004 and 2005, petitioner and respondent were heavily involved together in educational outreach regarding the Dominican Republic Central America Free Trade Agreement (DR-CAFTA). (Guzman Depo. at 32-33).

Generally, at the suggestion of petitioner, petitioner's and respondent's organizations collaborated on their outreach efforts. (Guzman Depo. at 33-35)

At the request of petitioner, petitioner and respondent collaborated on TeleCONSENSUS, a coalition initiative to educate lawmarkers and the business community on issues of telecommunications technology. The coalition issued public comments on political developments, which identified petitioner and respondent as two of the four organizations leading the 190-member coalition. (Lopez Depo. at 130, 136-38); Guzman Exh. 8.)

In Spring 2006, at respondent's annual legislative conference, respondent sponsored a workshop that featured a presentation from a senior official of petitioner. (Lopez 130-131). Petitioner and respondent arranged for the filming of petitioner's official's presentation at the conference, which was then posted on respondent's foundation's website without objection from petitioner. (Lopez Depo. at 130-135.)

At the request and encouragement of petitioner, respondent filed a joint amicus brief in a 9th Circuit lawsuit challenging an Arizona immigration law in which petitioner was one of the plaintiffs. (Guzman Exh. 32-40, Exh. 9.)

At times, Petitioner's website has displayed Respondent's name and links to respondent's website. To this day, Petitioner identifies respondent as one of its "partners" on its website. (Guzman Depo. at 2-43, exh. 7 and 8.)

\*41 Mr. Nino testified that during the parties' longtime support of each other and collaboration, petitioner never objected to respondent's use of its name and logo. (Nino Depo. at 52.)

We have considered all of the evidentiary facts as set out above (the accuracy of which petitioner has not contested) as they pertain to *du Pont* factor 10(d) ("market interface" between the parties, including "laches and estoppel attributable to owner of prior mark and indicative of lack of confusion").

We find that respondent's evidence showing the parties' longtime and frequent collaboration with each other, and petitioner's failure during those years of interaction and collaboration to ever object to respondent's use of respondent's name and logo mark, is persuasive evidence which is "indicative of lack of confusion" under factor 10(d). *See Iodent Chemical Co. v. Dart Drug Corp.*, 207 USPQ 602, 608 (TTAB 1980)("[I]f opposer [or petitioner in this case], over the years, was of the belief that the marks were sufficiently different to avoid confusion in trade, there is no reason why this belief should now be disturbed").

Respondent's former president Mr. Nino frequently interacted with many of petitioner's top officials over the years, including petitioner's chairman of the board Mr. Little, petitioner's president Mr. Donohue, and petitioner's vice-presidents Mr. Hirschmann, Mr. Workman and Mr. Kovacs. Each of these top officials knew that Mr. Nino represented respondent, the U.S. Hispanic Chamber of Commerce, and at no time did they or apparently anyone else from petitioner object to respondent's use of its mark. We are persuaded by respondent's arguments that this past "market interface" between the parties over the years, during which petitioner's top officials clearly knew of and never objected to respondent's use of its mark, tends to support a conclusion that there is no likelihood of confusion now.

Petitioner's arguments with respect to this *du Pont* factor are largely based on a statement the Board made in the ex parte case of *In re Opus One*, 60 USPQ2d 1812, 1821 (TTAB 2001). That case involved a restaurant's application to register the mark OPUS ONE for restaurant services. The Examining Attorney refused registration based on a prior registration of the mark OPUS ONE for wine. In arguing against the refusal, the applicant cited *du Pont* factor 10(d), presenting evidence that it it had a longtime close relationship with the winery, that it featured the winery's OPUS ONE wine at its restaurant, and that the winery in fact had encouraged and assisted the restaurant in its activities featuring the wine at its restaurant. The applicant restaurant argued that this was evidence which supported a finding, under *du Pont* factor 10(d), that the prior registrant winery had no objection to the restaurant's use of the OPUS ONE mark, and that the winery believed that there was no likelihood of confusion arising from the restaurant's and the winery's concurrent use of the OPUS ONE mark.

\*42 The Board affirmed the Examining Attorney's refusal to register, finding that a likelihood of confusion existed. The Board acknowledged the applicant's evidence showing the past relationship between the winery and the restaurant and the winery's collaboration with the restaurant and failure to object to the restaurant's use of the mark. The Board held, nonetheless:

We cannot conclude, however, that registrant's actions and/or inaction with respect to applicant's use of the OPUS ONE mark, as detailed by applicant, are necessarily attributable to, and necessarily evidence of a business-driven belief on the part of registrant that there is no likelihood of confusion.

In re Opus One, 60 USPQ2d at 1821. Petitioner specifically relies on the Board's statement that the applicant had failed to show that the registrant's failure to object to the applicant's use of its mark was based on a "business-driven belief" on the part of the prior user that there is no likelihood of confusion. Petitioner argues in this case that respondent likewise has failed to prove that petitioner's actions or inaction with respect to respondent's use of its mark was the result of a "business-driven belief" that there was no likelihood of confusion.

Petitioner argues that the evidence of record shows that petitioner did not actively begin to market to Hispanic businesses until 2002, so there have been few opportunities for any "market interface" between the parties to even have occurred.

The U.S. Chamber's supposed "failure to object" to Respondent's use of its mark [before 2002] cannot reasonably be construed as "a business-driven belief" that confusion was unlikely to occur when the parties began to compete with one another more directly. And indeed, it is quite telling that when the parties *did* begin to interact in the marketplace, the U.S. Chamber took action to oppose Respondent's mark as it had become clear by then that confusion *was* likely.

(Petitioner's Reply Brief at 19-20; emphasis in original.)

Petitioner argues that although respondent in fact has long been a member of petitioner, it has been treated like any one of petitioner's thousands of members, receiving all of the benefits its members receive, including invitations to petitioner's events, some of the more choice of which respondent may have paid to attend.

Petitioner argues that the parties' "occasional interactions" as to "policy" issues, such as speaking at conferences, being listed as a resource on websites, participating in coalitions, and joining an amicus brief, are "unremarkable."

The U.S. Chamber's primary focus is to represent the interests of the business community before the federal government (including the federal courts), and in promoting international trade, and in furtherance of those core missions, the U.S. Chamber will team up with almost anyone who shares common beliefs, and its policy experts will speak to (or with) anyone who may be in a position to impact the public policy process. The most logical conclusion, therefore, is that any collaborations were merely for the purpose of advancing a common policy agenda.

\*43 (Petitioner's Reply Brief at 20-21.) Petitioner further argues: "Indeed, many of the coalition efforts cited by Respondent...occurred while the U.S. Chamber has been involved in these proceedings, thus confirming that the parties' interactions have been strictly business and cannot be interpreted as amounting to an admission that confusion cannot now exist." (*Id.*)

Leaving aside the question of whether a "strictly business" relationship between petitioner and respondent does not in fact suggest a "business-driven belief" on the part of petitioner, we find that petitioner's reliance on the reference to "business-driven belief" in the *Opus One* case is misplaced. *Opus One* was an ex parte proceeding. The prior registrant was not a party and had no opportunity to appear and contest the applicant's contentions that it had no objection to applicant's obtaining the registration it was seeking. In contrast, the present case is an inter partes proceeding in which the prior registrant, petitioner, is a party and has had the opportunity to present evidence in opposition to respondent's evidence under *du Pont* factor 10(d).

We find in this inter partes case that respondent's persuasive factual showing regarding the parties' past relationship and petitioner's failure to object to respondent's use of its mark creates a presumption that petitioner in fact heretofore has believed that there is no likelihood of confusion. That presumption imposes a burden on petitioner to come forward with actual evidence sufficient to establish the contrary. Here, even if we were to accept as persuasive petitioner's mere assertions in its brief as to why it has never before objected to respondent's use of its mark, those assertions are not evidence, and we have found no such evidence in our review of this record.

For these reasons, we find that *du Pont* factor 10(d) tends to weigh in support of a conclusion that confusion is unlikely. At best, it is neutral in our analysis; it certainly does not weigh in petitioner's favor.

### Likelihood of Confusion: Conclusion.

Having carefully considered all of the parties' evidence and arguments with respect to the relevant *du Pont* factors (including any evidence and arguments not specifically addressed in this opinion), we conclude that there is no likelihood of confusion between respondent's mark, as used in connection with respondent's services, and petitioner's mark, as used in connection with petitioner's services. The parties' services and trade channels are similar, and petitioner's mark has achieved a degree of fame. However, we find that those facts are simply outweighed by the inherent weakness of petitioner's mark and the resulting narrow scope of protection it is entitled to. Respondent's mark and petitioner's mark are quite dissimilar when viewed in their entireties, and we find that the scope of protection to which petitioner's mark is entitled is not so broad as to preclude respondent from registering its fundamentally dissimilar mark.

## **CONCLUSION:**

\*44 Respondent's genericness counterclaims to cancel petitioner's registrations are dismissed.

Petitioner's Section 2(d) petition to cancel respondent's registration is denied. 87

Respondent's Registration No. 2886207 remains cancelled under Trademark Act Secton 8.

#### Footnotes

- The mark was registered on the Principal Register on September 21, 2004, based on an application filed on October 10, 2001. The registration was based on use in commerce under Trademark Act Section 1(a), 15 U.S.C. 1051(a), and alleged use of the mark since 1999.
  - On April 22, 2011, during the course of this proceeding (after final briefing and an oral hearing), respondent's registration that is the subject of petitioner's petition to cancel, Reg. No. 2886207, was cancelled by the Office pursuant to Trademark Act Section 8, 15 U.S.C. Section 1058, after respondent failed to file the required Section 8 affidavit of continued use. On June 17, 2011, the Board issued an order requiring respondent to show cause why judgment should not be entered against respondent in the cancellation proceeding pursuant to Trademark Rule 2.134(a), 37 C.F.R. Section 2.134(a). After resolution of many interlocutory matters including the Section 8 cancellation of respondent's registration and respondent's Petition to the Director for reinstatement of its registration (which was denied), respondent responded satisfactorily to the Board's show cause order, and on April 18, 2012 the Board discharged the show cause order pursuant to Trademark Rule 2.134(b), 37 C.F.R. Section 2.134(b).
  - In accordance with Board practice, the Board's April 18, 2012 order also allowed petitioner time to indicate whether it wished to proceed to a decision on the merits of its Section 2(d) claim in the cancellation proceeding, or rather to have the petition for cancellation dismissed without prejudice as moot (in light of the fact that respondent's involved '207 registration had already been cancelled under Section 8). On May 8, 2012, petitioner responded to the April 18, 2012 order, indicating that it wished to proceed to a final decision on the merits of its Section 2(d) claim as asserted in the cancellation proceeding.
  - Accordingly, we now proceed (in the present opinion) to final determination of petitioner's Section 2(d) claim against respondent's registration (as well as respondent's counterclaims; see below).
- In the petition to cancel, petitioner also alleged a dilution claim, but has not pursued that claim in its briefs on the case. We therefore deem petitioner to have withdrawn the dilution claim, and we shall give it no further consideration.
- 3 Issued January 24, 1989, based on an application filed on July 26, 1985. Renewed.
- 4 Respondent asserted numerous other affirmative defenses in its answer, but in its briefs on the case has presented argument only as to the defenses of laches and acquiescence. We deem respondent to have waived the other pleaded defenses.
- Respondent also counterclaimed to cancel a fourth registration, i.e., petitioner's Reg. No. 1436813, which is of the mark NATIONAL CHAMBER (in standard character form) for "association services, namely promoting the interest of business men and women." This registration was cancelled/expired on January 19, 2008 under Trademark Act Sections 8 and 9, U.S.C., Sections 1058 and 1059. In

- its Main Brief at 19, respondent asserts that this registration "is no longer at issue in the instant proceedings." We deem respondent to have withdrawn its counterclaim against this registration, and we shall give it no further consideration.
- Issued May 12, 1992; second renewal. This mark is registered on the Principal Register pursuant to a claim of acquired distinctiveness under Trademark Act Section 2(f), and the registration includes petitioner's disclaimer of the words CHAMBER OF COMMERCE.
- Issued February 24, 1987; renewed. This mark is registered on the Principal Register (without a Section 2(f) claim and with no disclaimer).
- Those designations have been included and accepted in petitioner's Principal Register registrations pursuant to Section 2(f), which is an admission that those designations are not inherently distinctive *See Cold War Museum Inc. v. Cold War Air Museum Inc.*, 586 F.3d 1352, 92 USPQ2d 1626 (Fed. Cir. 2009); *Yamaha Int'l Corp. v. Hoshino Gakki Co. Ltd.*, 840 F.2d 1572, 6 USPQ2d 1001, 1005 (Fed. Cir. 1988).
- In this regard, we note that when petitioner's witness Karen Elzey was asked during cross-examination as to her opinion regarding the significance of petitioner's mark, she testified: "My opinion is that 'U.S.' as part of U.S. Chamber of Commerce means that it's representing businesses that have to do something with the United States of America." (Elzey Depo. at 126-27.)
- Even if Section 2(d) priority were an issue in this case, we find that petitioner has priority. For purposes of determining Section 2(d) priority, petitioner is entitled to rely on the filing date of the application that matured into its pleaded registration, i.e., July 26, 1985. See Brewski Beer Co. v. Brewski Brothers Inc., 47 UDPQ2d 1281, 1283-84 (TTAB 1998). That date is prior to the October 10, 2001 filing date of the application which matured into respondent's involved (now-cancelled) registration, and also is prior, on this record, to any other date upon which respondent might rely for priority purposes. We note in any event that respondent has not disputed petitioner's priority.
- 11 Random House Dictionary of the English Language (1983). (Respondent's Request for Judicial Notice)(TTABVUE 73).
- In a 27-page appendix to its main brief, respondent has objected to essentially all of petitioner's evidence pertaining to fame. Although respondent has summarily cited to various of the Federal Rules of Evidence in its statement of objections, in most cases respondent has presented little or no argument pertaining to the actual objections in terms of admissibility. It is clear that most of the objections as stated and argued actually speak to the probative value of the evidence, not to its admissibility; and we have disregarded those objections to the extent that they comprise arguments not discussed, as they should have been, in the main body of respondent's briefs. As to the objections which are true evidentiary objections, to the extent that they are relevant to our findings of fact, we shall address them during the course of our discussion below. All of respondent's other objections are overruled.
- These articles are among the numerous articles submitted by petitioner as Peck Depo. Exh. 39 and 40 (TTABVUE 63 and 64). Respondent's hearsay objections to these articles are overruled; we are considering the articles not for their truth but for what they show on their face. See Nike Inc. v. Maher, 100 USPQ2d 1018, 1024 n.12 (TTAB 2011)("The probative value of the news articles is that they show how the authors perceive, or refer to, opposer's mark, and the exposure of the public to the mark."). See also Research in Motion Ltd. v. Defining Presence Marketing Group Inc., 102 USPQ2d 1187, 1193 n.17 (TTAB 2012); Starbucks U.S. Brands LLC v. Ruben, 78 USPQ2d 1741, 1751 (TTAB 2006).
- Given Ms. Kanuch's clear and specific testimony (including her subjection to detailed cross-examination) as to the accuracy of these membership figures based on her review of petitioner's business records and her personal knowledge as petitioner's vice-president of Finance ("I work with these numbers every day" (Kanuch Depo. at 75-76)), respondent's various objections to Kanuch Depo. Exh. 1 (a summary chart of petitioner's membership numbers, created by Ms. Kanuch to prepare for and use in her deposition) are overruled. Also, we note that petitioner submitted Kanuch Depo. Exh. 1 (membership chart) as confidential, but has referred to the specific content of the exhibit without redaction throughout its briefs. We shall do likewise.
- Petitioner's witness Patricia Cole identified the National Association of Manufacturers and the National Federation of Independent Businesses as examples of petitioner's competitors in the business association and federation field. (Cole Depo. at 111-13.)
- For example, we note that petitioner's monthly membership magazine, by which petitioner provides its members with information about petitioner's resources and activities (Peck Depo. Exh. 13-16 (TTABVUE 60/191-250)), is distributed in print runs of 50,000. (Peck Depo. at 127-29.) This suggests that the magazine is sent only to petitioner's dues-paying or most active members and not to all of petitioner's claimed 229,000 federation program "members."
- As was the case with Kanuch Depo. Exh. 1, given Ms. Kanuch's clear and specific testimony (including her subjection to detailed cross-examination) as to the accuracy of these 2006 revenue and promotional expenses numbers based on her review of petitioner's business records and her personal knowledge as petitioner's vice-president of Finance ("I work with these numbers every day" (Kanuch Depo. at 76)), respondent's various objections to Kanuch Depo. Exh. 2 (a summary chart of petitioner's revenue and promotional expenses numbers, created by Ms. Kanuch to prepare for and use in her deposition) are overruled. Also as was the case with Kanuch Depo. Exh. 1, Kanuch Depo. Exh. 2 was submitted as confidential, but petitioner has referred to the specific content of the exhibit without redaction throughout its briefs. We shall do likewise.

- The exceptions are Peck Depo. Exh. 1-4 (yearly editions of a book entitled The State of American Business), with print runs of 1,000 copies per year; Exh. 18-19 (two annual editions of a book entitled Employee Benefits Study), each with a print run of 20,000 copies, and Exh. 13-16 (issues of petitioner's monthly membership magazine), with approximately 50,000 copies printed per month.
- Petitioner's publishing department receives orders for the various publications from other internal departments in the U.S. Chamber, and delivers the finished publications to those respective departments. (Peck Depo. at 58.) Mr. Peck could not testify as to what these internal customers did with the publications after receiving delivery of them from the publishing department. (Peck Depo. at 64-65.) However, despite Mr. Peck's lack of specific knowledge on that question, we reasonably infer that the publications generated by petitioner's publishing department in fact are distributed outside the U.S. Chamber by the various internal departments that order the publications from the publishing department. It is highly unlikely that the internal departments would order and take delivery of the publications unless they intended to then distribute the publications to recipients outside the U.S. Chamber, and it is unlikely that the publications in fact were not so distributed. Again, however, the lack of details as to such distribution affects the probative value of petitioner's evidence on this issue.
- Petitioner has objected to Exh. 13-205 of respondent's Second Notice of Reliance (state online corporation division records) on the ground that they are not admissible via notice of reliance because they are official records which have not been properly authenticated under the Federal Rules of Evidence, particularly Rules 902(4) and 1105, as required by Trademark Rule 2.122(e), 37 C.F.R. Section 2.122(e). Petitioner's objection is overruled. We deem the exhibits to be materials obtained from the Internet which are properly of record under *Safer Inc. v. OMS Investments, Inc.*, 94 USPQ2d 1031 (TTAB 2010). In *Safer*, the Board held: "The Board will henceforth deem a document obtained from the Internet displaying a date and its source as presumptively true and genuine." *Id.* at 1039. Here, each of the Internet documents submitted as Exh. 13-205 to respondent's Second Notice of Reliance displays its source (its URL) and its date of access, and each therefore is admissible under *Safer*.

In any event, these Internet printouts also were separately and properly made of record as Exhibit 50 to the testimony deposition of respondent's counsel's paralegal, Monica Danner. (TTABVUE 94/8-247.) "Materials that do not fall within [Rule 2.122(e)]... may nevertheless be introduced into evidence through the testimony of a person who can clearly and properly authenticate and identify the materials, including identifying the nature, source and date of the materials." Trademark Board Manual of Procedure (TBMP) Section 704.08 (3 rd Ed., 1 st Rev. June 2012.) Here, Ms. Danner testified that she downloaded and printed out the documents, and she testified as to their nature, source and dates of access. (Danner Depo. at 35-37.) *Cf. Rocket Trademarks Pty Ltd., supra*, 98 USPQ2d 1066 at 1071 (*Safer* rule regarding Internet evidence applies to testimony deposition exhibits as well).

We have considered these documents only for what they show on their face, i.e., that these third-party chamber of commerce entities and their names appear in the various states' corporation records databases and can be retrieved by a search of those databases.

- 21 Resp. 2 nd NOR Exh. 70 (TTABVUE 97/200); Danner Depo. Exh. 50 (at Bates No. H08129, TTABVUE 94/66).
- 22 Resp. 2<sup>nd</sup> NOR Exh. 65 (TTABVUE 97/64); Danner Depo. Exh. 50 (at Bates No. H08124, TTABVUE 94/61).
- 23 Resp. 2<sup>nd</sup> NOR Exh. 16 (TTABVUE 97/90); Danner Depo. Exh. 50 (at Bates No. H08073, TTABVUE 94/11).
- Danner Depo. Exh. 36 (Google "hitlist" at Bates No. H06868, TTABVUE 89/111)
- Resp. 2<sup>nd</sup> NOR Exh. 159 (TTABVUE 98/82); Danner Depo. Exh. 50 (at Bates No. H08230, TTABVUE 94/167); Danner Depo. Exh. 36 (Google "hitlist" at Bates No. H06867, TTABVUE 89/110).
- 26 Encyclopedia of Associations (Danner Depo. Exh. 48 at Bates No. H08039, TTABVUE 93/290).
- 27 <u>Encyclopedia of Associations</u> (Resp. 2<sup>nd</sup> NOR Exh. 2 at Bates No. H07994, TTABVUE 97/48); Resp. 2<sup>nd</sup> NOR Exh. 180 (TTABVUE 98/142); Danner Depo. Exh. 50 (at Bates No. H08270, TTABVUE 94/207).
- Business Organizations & Agencies Directory (Danner Depo. Exh. 1 at Bates No. H07981, TTABVUE 97/35); Reg. No. 1426110 (Resp. Am. 1 st NOR Exh. 17 TTABVUE 74/93); Danner Depo. Exh. 36 (Google "hitlist" at Bates H06874, TTABVUE 89/117).
- Dorfman Depo.; Supp. Reg. No. 2887973 (Pet. 5<sup>th</sup> NOR (TTABVUE 117/5); Resp. Am. 1<sup>st</sup> NOR Exh. 47 (TTABVUE 74/160); Danner Depo. Exh. 36 (Google "hitlist" at Bates No. H06869, TTABVUE 89/112). Petitioner asserts that it is "protesting" use of this mark. The record shows that this consists of a single cease and desist letter sent on December 19, 2002. Herrera Depo. Exh. 1 (TTABVUE 118/1-24). Also, even if petitioner is "protesting" use of this mark, the mark nonetheless appears in the publicly-available sources cited above and thus is probative evidence under the sixth *du Pont* factor.
- Listing in 411.com (Danner Depo. Exh. 35 at Bates No. H01524, TTABVUE 88/312).
- 31 Resp. 2 nd NOR Exh. 72 (TTABVUE 97/204); Danner Depo. Exh. 50 (at Bates No. H08131, TTABVUE 94/68).
- Website <u>us-angola.org</u> (Danner Depo. Exh. 44 at Bates No. H06158, TTABVUE 91-76); <u>Encyclopedia of Associations</u> (2 nd NOR Exh. 2 at Bates No. H07993, TTABVUE 97/47); Danner Exh. 36 (Google "hitlist" at Bates No. H06866, TTABVUE 89/109).
- Danner Depo. Exh. 36 (Google "hitlist" at Bates No. H06866, TTABVUE 89/109).
- Danner Depo. Exh. 36 (Google "hitlist" at Bates No. H06868, TTABVUE 89/111).

- Hofer Deposition; Website <u>usaustrianchamber.com</u> (Danner Depo. Exh. 44 at Bates No. H06164, TTABVUE 91/82); Danner Depo. Exh. 36 (Google "hitlist" at Bates No. H06865, TTABVUE 97/108).
- Iskandarov Depo.; Website <u>usacc.org</u> (Danner Depo. Exh. 44 at Bates No. H06166, TTABVUE 91/84); <u>Encyclopedia of Associations</u> (Resp. 2<sup>nd</sup> NOR Exh. 2 at Bates No. H07993, TTABVUE 97/47); Danner Depo. Exh. 36 (Google "hitlist" at Bates No. H06866, TTABVUE 97/109).
- 37 Resp. 2 nd NOR Exh. 29 (TTABVUE 97/118); Danner Depo. Exh. 50 (at Bates No. H08087, TTABVUE 94/25).
- Listing from website WorldChambers.com (Danner Depo. Exh. 43 at Bates No. H06538, TTABVUE 90/66); Resp. 2 nd NOR Exh. 90 (TTABVUE 97/240); Danner Depo. Exh. 50 at Bates No. H08150, TTABVUE 94/87).
- 39 Danner Depo. Exh. 39 (Google "hitlist" at Bates No. H06958, TTABVUE 89/201).
- 40 Resp. 2 nd NOR Exh. 69 (TTABVUE 97/198); Danner Depo. Exh. 50 (at Bates No. H08128, TTABVUE 94/65).
- 41 Resp. 2 nd NOR Exh. 149 (TTABVUE 98/58); Danner Depo. Exh. 50 (at Bates No. H08326, TTABVUE 94/153).
- 42 Resp. 2<sup>nd</sup> NOR Exh. 13 (TTABVUE 97/86); Danner Depo. Exh. 50 (at Bates No. H08070, TTABVUE 94/8).
- 43 Resp. 2 nd NOR Exh. 63 (TTABVUE 97/186); Danner Depo. Exh. 50 (at Bates No. H08122, TTABVUE 94/59).
- Danner Depo. Exh. 39 (Google "hitlist" at Bates No. H06964, TTABVUE 89/207).
- Resp. 2 <sup>nd</sup> NOR Exh. 30 (TTABVUE 97/120); Danner Depo. Exh. 50 (at Bates No. H08088, TTABVUE 94/26); Danner Depo. Exh. 38 (Google "hitlist" at Bates No. H06930, TTABVUE 89/173).
- Danner Depo. Exh. 35 (listing in 411.com at Bates No. H01528, TTABVUE 89/5).
- Danner Depo. Exh. 39 (Google "hitlist" at Bates No. H06947, TTABVUE 89/190).
- Danner Depo. Exh. 38 (Google "hitlist" at Bates No. H06944, TTABVUE 89/187).
- 49 Resp. 2 nd NOR Exh. 17 (TTABVUE 97/94); Danner Depo. Exh. 50 (at Bates No. H8074, TTABVUE 94/12).
- Zapanta Depo.; Encyclopedia of Associations (Resp. 2 nd NOR Exh. 2 at Bates No. H07994, TTABVUE 97/48); Resp. 2 nd NOR Exh. 192 (TTABVUE 98/168); Danner Depo. Exh. 50 (at Bates No. H08286, TTABVUE 94/223); Danner Exh. 36 (Google "hitlist" at Bates No. H06865, TTABVUE 89/108).
- Danner Depo. Exh. 36 (Google "hitlist" at Bates No. H06871, TTABVUE 89/114).
- Danner Depo. Exh. 38 (Google "hitlist" at Bates No. H06941, TTABVUE 89/184).
- 53 <u>Business Organizations and Agencies Directory</u> (Danner Depo. Exh. 47 (at Bates No. H07981, TTABVUE 93/228)).
- Danner Depo. Exh. 36 (Google "hitlist" at Bates No. H06871, TTABVUE 89/114).
- Danner Depo. Exh. 36 (Google "hitlist" at Bates No. H06872, TTABVUE 89/115).
- Danner Depo. Exh. 44 (portugal-us.com website at Bates No. H06434, TTABVUE 92/22).
- 57 Danner Depo. Exh. 35 (listing in 411.com at Bates No. H01530, TTABVUE 89/6).
- Danner Depo. Exh. 38 (Google "hitlist" at Bates No. H06933, TTABVUE 89/176).
- Danner Depo. Exh. 38 (Google "hitlist" at Bates No. H06929, TTABVUE 89/172).
- Danner Depo. Exh. 38 (Google "hitlist" at Bates No. H06931, TTABVUE 89/174).
- Brown Depo.; Encyclopedia of Associations (Resp. 2<sup>nd</sup> NOR Exh. 2 at Bates No. H07993, TTABVUE 97/47); Danner Depo. Exh. 44 (TTABVUE 91/76 92/111.)
- Danner Depo. Exh. 35 (listing in 411.com, at Bates No. H01520, TTABVUE 89/6).
- 63 Resp. 2 nd NOR Exh. 71 (TTABVUE 97/202); Danner Depo. Exh. 50 (at Bates No. H08130, TTABVUE 94/67).
- Danner Depo. Exh. 36 (Google "hitlist" at Bates No. H06876, TTABVUE 89/119).
- Danner Depo. Exh. 38 (Google "hitlist" at Bates No. H06932,TTABVUE 89/175).
- 66 Ginnane-Singer Depo.; U.S. Reg. No. 2452532 (Resp. Am. 1st NOR Exh. 28).
- 67 Carlson Depo.
- 68 Raeymaekers Depo.
- 69 Resp. 2 nd NOR Exh. 46 (TTABVUE 97/151); Danner Depo. Exh. 50 (at Bates No. H09104, TTABVUE 94/42).
- Resp. 2 nd NOR Exh. 35 (listing in 411.com (TTABVUE 97/130); Danner Depo. Exh. 50 (at Bates No. H080093, TTABVUE 94/31).
- 71 Website <u>americanarab.com</u> (Danner Exh. 44 at Bates H06176, TTABVUE 91/94).
- 72 U.S. Reg. No. 3197790 (Resp. Am. 1 st NOR Exh. 25).
- 73 Resp. 2 nd NOR Exh. 32 (TTABVUE 97/123); Danner Depo. Exh. 50 (at Bates No. H08090, TTABVUE 94/28).
- 74 U.S. Reg. No. 1744753 (Resp. Am. 1 st NOR Exh. 15).

- 75 U.S. Reg. No. 2842342 (Resp. Am. 1 st NOR Exh. 30).
- 76 U.S. Reg. No. 2208534 (Resp. Am. 1 st NOR Exh. 41).
- See Petitioner's Reply Brief at 7, where petitioner argues that there has been no significant opportunity for actual confusion to have occurred because "until very recently, the U.S. Chamber had not specifically recruited minority-owned businesses to join as members"; and that it has "the presumptive right to exploit more fully that market niche."
- As was the case with the previous section of our opinion dealing with the fame of petitioner's mark under the fifth *du Pont* factor, respondent has objected to essentially all of petitioner's proffered evidence on this seventh factor pertaining to actual confusion. Also as was the case in respondent's objections to petitioner's fame evidence, most of respondent's objections to petitioner's actual confusion evidence are not evidentiary objections to the admissibility of petitioner's evidence, but rather are more properly characterized as arguments regarding the probative value of petitioner's evidence, and we have disregarded them to the extent that they are not also set forth in the body of respondent's briefs. As to the actual evidentiary objections, we find that most of them are not well-taken. To the extent that they are relevant to our findings of fact, we shall address them as appropriate in our opinion. All of respondent's other objections are overruled.
- In its Main Brief Appendix of evidentiary objections (at p. 24), respondent objects to portions of Ms. Olivera's testimony based on "lack of foundation" under Fed. R. Evid. 901. Aside from the words "Lacks Foundation" in the objection as stated, no specific basis for the objection is identified. The objection is overruled. Second, upon review of the relevant testimony, respondent's objections under Fed. R. Evid. 611(c) as to unspecified and allegedly "leading" questions are not well-taken and are overruled.
- In its Main Brief Appendix of evidentiary objections (at p. 24), respondent objects to portions of Ms. Perlman's testimony based on "lack of foundation" under Fed. R. Evid. 901. Aside from the words "Lacks Foundation" in the objection as stated, no specific basis for the objection is identified. The objection is overruled. Second, upon review of the relevant testimony, Respondent's objections under Fed. R. Evid. 611(c) as to unspecified and allegedly "leading" questions are not well-taken. Respondent's objections to this testimony are overruled.
- We note that during cross-examination in her deposition, Ms. Perlman was asked by respondent's counsel: "Have you discussed with anybody the instances of confusion that you experienced at the two Hispanic events that we were just talking about?" After an exchange between counsel regarding an attorney work-product privilege objection by petitioner's counsel, Ms. Perlman was asked again: "Have you discussed the instances of confusion that took place at the two Hispanic events?" Petitioner's counsel repeated his objections and then said, "I will remove my objection and instruction with respect to counsel if you ask her if she's discussed the incidents that occurred that she discussed this morning. You keep calling them instances of confusion. I don't want there to be any confusion on the record as to whether this witness can make a judgment as to what constitutes an instance of confusion or not in a legal sense. That's my objection." (Perlman Depo. at 105-107.)
- At the deposition and in its Main Brief Appendix of evidentiary objections (at pp. 23-24), respondent objected to Logan Depo. Exh. 1 and 2, essentially on the ground that these exhibits should have been produced in discovery, but were not made available to respondent until the day of the deposition. However, respondent never filed a motion to strike these exhibits, and in any event it has not identified or produced the relevant discovery request(s) to which the objection refers. With respect to Exh. 2, respondent also objects on the ground of hearsay. However, aside from the word "Hearsay" in the stated objection, respondent has not identified explained the specific basis of the objection. Nor do we find any basis for the objection. The exhibits are merely a photograph and its caption, and are probative for what they show on their face, i.e., that the photograph and its caption appeared in that issue of the Washington Hispanic newspaper.
- In its Main Brief Appendix of evidentiary objections (at pp. 24-25), respondent has objected to Mr. Ramos' deposition in its entirety based on Fed. R. Evid. 403, on the ground that, in the language of the Rule, the testimony's "probative value is substantially outweighed by a danger of ... undue delay." Respondent argues that "Respondent was not given ample time to prepare for Mr. Ramos' deposition, and was only able to attend the deposition telephonically. Furthermore, Respondent's counsel was sick at the time of the deposition." Initially, we deem Fed. R. Evid. 403 to be inapposite here; its reference to "undue delay" would pertain to a delay in the assertion of and reliance on the evidence itself, e.g., the age of the evidence. For purposes of this Board proceeding, it would appear that respondent's objection to this deposition actually goes to the adequacy of the notice of deposition and the circumstances of the deposition itself. As to the adequacy of the notice of deposition, although it was raised during the deposition (at pp. 14-15), respondent never filed a motion to strike the deposition on the ground of untimely notice. *See* Trademark Rule 123(e)(3), 37 C.F.R. Section 123(e)(3) ("Promptly after the testimony is completed, the adverse party, to preserve the objection, shall move to strike the testimony from the record, which motion will be decided on the basis of all the relevant circumstances."). In any event, we find that one week's notice was adequate, and we note that respondent's counsel had been furnished before the deposition with a copy of the sole exhibit that was made of record during the deposition. Respondent's counsel appeared at the deposition, Respondent did not move for an

extension of time for the deposition and apparently did not even request one from opposer prior to the deposition. For these reasons, respondent's objection on this basis is overruled.

Respondent also objects to the entirety of Mr. Ramos' deposition on the ground that it lacks foundation, pursuant to Fed. R. Evid. 901. Aside from the words "Lacks Foundation" in the stated objection, no specific basis for the objection is offered. The objection is overruled.

- In its Main Brief Appendix of evidentiary objections (at pp. 24-25), respondent has objected to portions of pages 8-10 of Mr. Ramos' testimony (pages 8:25 through 10:7), on the grounds that the testimony constitutes inadmissible opinion testimony (Fed. R. Evid. 701), that it lacks foundation (Fed. R. Evid. 901), and that Mr. Ramos lacks personal knowledge of the matters he testifies to (Fed. R. Evid. 602). Regarding Rule 701, the objected-to testimony asserts facts, not opinion, and even if it is lay opinion it satisfies the Rule's requirements for admissibility of such testimony. As for Rule 901, lack of foundation, respondent has not identified the basis for the objection other than citing to the rule. As for Rule 602, nothing in the objected-to testimony suggests Mr. Ramos' lack of personal knowledge as to the facts asserted, nor does the additional testimony at pages 19-20 (cited by respondent as the basis for this objection) call into question Mr. Ramos' personal knowledge of the facts asserted at pages 8-10 of the deposition. Respondent's objections are overruled.
- Rima Matsumoto is the Executive Director of HACR. (Matsumoto Depo. at 5.)
- See also the discussion below in connection with *du Pont* factor 10(d), regarding petitioner's and respondent's actual "working relationship."
- 87 In view of our denial of petitioner's petition to cancel, respondent's laches and acquiescence affirmative defenses are moot.

2012 WL 8254590 (Trademark Tr. & App. Bd.)

**End of Document** 

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2014 WL 3421517 (Trademark Tr. & App. Bd.)

This Opinion is Not a Precedent of the TTAB

Trademark Trial and Appeal Board

Patent and Trademark Office (P.T.O.)

WINSTON A. ROSA

v.

RAFAEL ROBERT VARGAS

Opposition No. 91205076 against Serial No. 85480930 June 27, 2014

\*1 Winston A. Rosa, pro se.

Jon Jekielek & Janis LLP, for Rafael Robert Vargas.

Before Bucher, Mermelstein and Bergsman Administrative Trademark Judges Opinion by Bucher Administrative Trademark Judge:

Rafael Robert Vargas, a U.S. citizen and resident of Miramar, FL ("Applicant") seeks registration on the Principal Register of the following mark:



for services recited as follows:

arranging and conducting of concerts; audio recording and production; concert booking; entertainment in the nature of live stage performances in the nature of concerts in the field of music by an individual; entertainment services by a musical artist and producer, namely, musical composition for others and production of musical sound recordings; entertainment services in the nature of live musical performances; entertainment services in the nature of recording, production and post-production services in the field of music; entertainment services in the nature of music performances; entertainment services, namely, dance events by a recording artist; entertainment, namely, live music concerts; entertainment, namely, live performances by a musical band; live performances by a musical group; provision of information relating to live performances, road shows, live stage events, theatrical performances, live music concerts and audience participation in such events, in International Class 41. <sup>1</sup>

Winston A. Rosa ("Opposer") has opposed this application on the ground that Opposer and Applicant are co-owners of the **FULANITO** mark. *See* Section 1 of the Lanham Act, 15 U.S.C. § 1051 ("The *owner* of a trademark used in commerce may request registration of its trademark ...") (*emphasis* supplied). Applicant denied the salient allegations of the notice of opposition and asserted that he created this mark and is the sole owner thereof. During the majority of this opposition proceeding, both parties proceeded *pro se*. <sup>2</sup> Both parties filed trial briefs.

## I. Evidentiary Issues

Before proceeding to the merits of this opposition, we must address a variety of evidentiary issues.

Under the amended trial schedule of August 27, 2012, Opposer's thirty-day trial period was to end on July 24, 2013. Opposer served his notice of taking of testimony of twelve witnesses on applicant on June 6, 2013, but did not file it until July 30, 2013. The notices' attached "Witness List" includes the names of twelve individuals from among whom Opposer apparently intended to take testimony on the evening of July 9, 2013 - a date within Opposer's thirty-day trial period - at the offices of Diamond Reporting in the Bronx, New York. Opposer ultimately only took the testimony of Jose Caba Rosa (Opposer's father), Joseph Rosa (Opposer's brother), and Samuel Serraty (Opposer's cousin), and filed these three testimony transcripts with the Office on July 31, 2013. <sup>5</sup>

## A. The Testimony of Samuel Serraty

\*2 Applicant alleges that Opposer did not provide him with notice of the deposition of Mr. Serraty, and that this testimony should be excluded in its entirety. The name of Samuel Serraty is not among the twelve names on Opposer's "Witness List." Inasmuch as Opposer failed to provide any notice to Applicant that the testimony deposition of Mr. Serraty was to be taken, this testimony <sup>6</sup> and any exhibits attached thereto <sup>7</sup> are deemed inadmissible and have not been considered in reaching our decision herein. By contrast, Applicant does not seek to exclude Opposer's testimony depositions of Jose Arsenio Rosa Caba, a/k/a Arsenio El Maestro De La Rosa (Opposer's father) or Joseph K. Rosa (Opposer's brother). <sup>8</sup>

# B. Opposer's Exhibits A through L

Opposer attached to the three transcripts of testimony a series of documents marked as Exhibits A through L, each of which has a comment or description at the top of it. <sup>9</sup> Applicant objects to these documents for two reasons: (i) Opposer failed to provide proof of service; and (ii) Opposer failed to file a Notice of Reliance.

While Applicant acknowledges that Opposer included valid proof of service in connection with the recorded trial testimony of Messrs. Rosa, Applicant argues that there was no separate filing and proof of service with respect to these exhibits. However, inasmuch as the testimony identifies and refers to the attached Exhibits, and the Board's copy includes the exhibits, we must presume that these Exhibits actually accompanied the testimony deposition transcripts of July 9 sent to Applicant via FedEx on July 25, 2013. Otherwise, it was incumbent upon Applicant to raise this issue immediately so that it could have been cured in a timely manner.

As to their admissibility, although Applicant treats all twelve of these exhibits as if they were Internet materials, we note that Exhibits A, B, D, E and K are not Internet pages, and were appropriately authenticated by the deponents. It is correct that the balance of these dozen documents introduced during the testimony of Messrs. Rosa on July 9, 2013 were obtained and printed from the Internet, and were never filed via a Notice of Reliance.

Applicant takes the position in its appeal brief that Opposer must introduce these documents by and through a Notice of Reliance, citing to *Safer, Inc. v. OMS Investment, Inc.* 94 USPQ2d 1031 (TTAB 2010). Applicant is correct that this Board in *Safer* did change its practice regarding Internet evidence, namely holding that a document obtained from the Internet may be admitted into evidence pursuant to a Notice of Reliance in accordance with 37 CFR 2.122(e) in much the same manner as a printed publication in general circulation. However, *Safer* does not hold that a Notice of Reliance is the *only* way to introduce Internet evidence. Rather, such evidence may also be introduced into evidence through the testimony of a person who can properly authenticate and identify the materials, including the nature, source and date of the materials.

\*3 Accordingly, here is a summary of our findings as to admissibility and probative value of the information contained in these documents:

As noted above, Exhibits A, B, D and E are promotional posters about which deponents testified, and they are deemed admissible. Similarly, Exhibit K is a Cease and Desist letter dated June 3, 2010, and sent to Applicant by Opposer's attorney, and is deemed admissible because it involves the records of a regularly conducted activity. Exhibit J is a Library of Congress summary page of Copyright Ownership, cocatalog.loc.gov/. Although undated, we presume this shows that the Copyright records once contained information showing Applicant's and Opposer's joint authorship of this musical recording, and is admissible because it is a public record. Exhibit L is a copy of an official business record from the State of New Jersey. While this is an undated screen-print, the Business Registration Certificate (issued on March 26, 2013), refers to a partnership between Applicant and Opposer, effective as of January 1. 1998, having the trade name of "WinDose International," and this is admissible because it too is a public record.

The remaining documents are Internet materials for which the *pro se* Opposer conducted all the searches on the Internet and was also the interrogator at the depositions. In no case did he focus on detailed identification of the document, the date it was searched and printed, or other details discussed in *Safer*. On the other hand, Applicant did not object to these documents on these bases. In any case, Exhibit G, on its face, showed it was accessed on April 22, 2013, by Winston Rosa with a definite URL on the Amazon.com website. Exhibit I is a screen-print of a facebook.com page said to be posted June 3, 2010, allegedly posted by Applicant on Opposer's Messenger board, but having no other information about the actual date this screen-print was taken. Given that this message was posted on the same date as Opposer's Cease and Desist letter (Exhibit K), it is entirely possible that the Cease and Desist letter prompted this plea to Opposer by Applicant that the parties avoid an expensive legal battle. This document is admissible because of Applicant's statements about the ownership of the "Fulanito" mark. Fed. R. Evid. 801(d)(2).

On the other hand, under the guidance of the *Safer* decision, we find that Exhibits C, F and H are inadmissible under any reading of the facts. While Exhibit C is labeled by Opposer as a promotional banner, it appears to be drawn from the Internet, likely Facebook, having an entry dated February 15, 2012, for an upcoming performance by Opposer on March 17, 2012. Exhibit F refers to a single track of an album attributed to "FULANITO 740" that Opposer allegedly recorded under contract with RADIKAL RECORDS Inc. in 2012, having an image drawn from an iTunes Store page without URL, date, etc. Finally, Exhibit H purports to be Opposer's first tweet on his new twitter account (@FULANITO) on September 13, 2007, although again there is no URL or date, etc. In each of these cases, the witness was unable to identify or authenticate the source of the document. Moreover, even if these documents had been authenticated, the information contained in them would still be inadmissible as hearsay.

# II. Applicable Law for Ownership Disputes

\*4 In order to resolve the prototypical dispute over the ownership of a single, indivisible trademark (e.g., when a band breaks up), we are wont to turn to a framework suggested several years ago in a legal periodical "Who owns the mark? A single framework for resolving trademark ownership disputes," <sup>10</sup> A useful modification of the *Wrist-Rocket* <sup>11</sup> factors is summarized in this article as follows: (a) which party invented and first affixed the mark onto the product/service; (b) which party's name appeared with the trademark on packaging and promotional materials; (c) which party maintained the quality and uniformity of the product, including technical changes; (d) which party does the consuming public believe stands behind the product, *e.g.*,

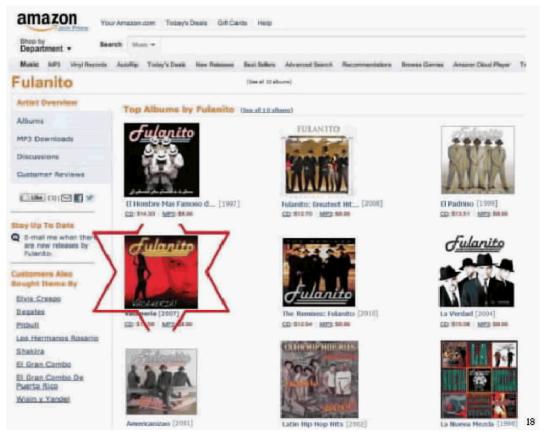
to whom customers direct complaints; (e) which party paid for advertising; and (f) what a party represents to others about the source or origin of the product.

# III. The Story of "Fulanito"

The preponderance of the evidence in the record points to Opposer's father - Jose Arsenio Rosa Caba, a/k/a Arsenio El Maestro De La Rosa, a legend on the accordion and an early promoter of Dominican Merengue Tipico music - as the originator of the name "Fulanito." <sup>12</sup> In any case, Opposer's father testifies that he founded the group along with Opposer and Applicant in 1997/1998. <sup>13</sup>

A number of other family members and close friends have continued to play a key role in various iterations of the group since then. <sup>14</sup> In addition to the founding three, the record shows other musicians named Joseph K. Rosa (Opposer's brother and keyboard player); Jose Rafael "Pickles" Fuentes; Samuel ""El Gran Matador" Serraty (Opposer's cousin); Marino Paredes; and Danny Fuentes.

All of the following Fulanito album covers - with the notable exception of Applicant's 2007 release (supplied with a red star below) <sup>15</sup> - uniformly demonstrate the fact that the Fulanito ensemble is consistently represented as four, five or six men (and all wearing matching suits and fedoras), in original releases <sup>16</sup> and remixes/re-releases, <sup>17</sup> dating from 1997 to 2010:



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Even before the Fulanito group, Opposer and Applicant were founding members of bands known as "2 in a Room" and "740 Boyz." <sup>19</sup> At roughly the same time as the beginnings of Fulanito, Opposer and Applicant also formed their own musical production company known as "WinDose" - taken from a combination of Opposer's (Winston's) nickname of "Big Win," and

Applicant's stage name, Rafael "Dose" Vargas. <sup>20</sup> The copyright registration reveals that Fulanito's 1997 recording of "El Hombre Mas Famoso de la Tierra" credited authorship to Rafael Vargas (performance) and Winston Rosa (recording). In fact, Applicant as lead singer and Opposer as a performing musician who later did the engineering and production of the musical recordings seemed to be the general division of labor until Applicant decided to leave the group. Since going solo around 2004, Applicant has apparently performed and recorded fairly successfully as a solo act, calling himself "Fulanito." <sup>21</sup> As is often the case in such splits, Opposer continued to appear in concert (always along with other family members and friends), also performing as "Fulanito." As to the style of presentation of the word "Fulanito," we note that both Opposer and Applicant, together for years, and separately since 2004, have actually used, and continue to claim rights in, exactly the same marquee style of lettering, presented in a variety of neon or contrasting colors:



**\*5** <sup>22</sup>











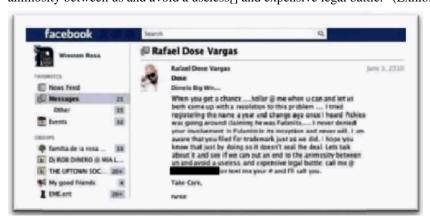


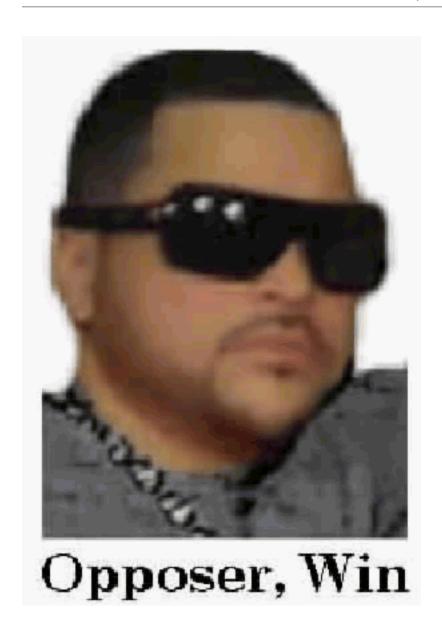




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Then according to testimony of record, Opposer's attorney at that time, Wallace E.J. Collins, III, sent a "Cease and Desist" letter (Exhibit K) to Applicant on June 3, 2010, in connection with Applicant's alleged infringement of the Fulanito trademark and service mark. <sup>31</sup> That same day, Applicant responded with a computerized message asking Opposer to "holler @ me" so that they could "come up with a resolution to this problem." Applicant went on to say that he "never denied [Opposer's] involvement in Fulanito [since] its inception and never will." He ends with a plea: "Let's talk about it and see if we can put an end to the animosity between us and avoid a useless[] and expensive legal battle." (Exhibit I). <sup>32</sup>







The record makes it clear that the dueling parties herein are ex-brothers-in-law and former partners in business, performing and producing musical recordings. Opposer and his extended family represented a lineage of Latin American composers, musicians and singers who have performed Spanish-language songs for generations. Applicant, who married Opposer's sister decades ago, brought to the family group an ability to perform well in the English language, and then beginning in the mid- to late-90s, in the Spanish language.

Although there is no written agreement in the record formalizing the Fulanito musical group, as discussed above, the three persons at its core from 1997 to 2004 were (1) Opposer's father and a musician in his own right, Jose Arsenio Rosa Caba, a/k/a Arsenio El Maestro De La Rosa; (2) Opposer, Winston A. "Big Win" Rosa; and (3) Applicant, Rafael Robert "Dose" Vargas.

The sole legal entity relevant to this proceeding, that also made possible the public performances of the group and the mass production of musical recordings (e.g., CDs, and then MP3 digital downloads), was WinDose International, an equal partnership between Opposer and Applicant. However, it is not clear that WinDose, as a juridical entity, had any formal claim on the musical group's name and mark. On the other hand, between 1997 and 2004, Opposer and Applicant, as two individuals, shared equally in the costs of the Fulanito musical group. These two persons were the ones responsible for the quality and uniformity of the group's performances and recordings. Consistent with this history, Opposer, in his brief, acknowledges that he had always

conceived of a 50:50 shared ownership with Applicant of the Fulanito mark. This also seems to be consonant with Applicant's conciliatory Facebook message of June 3, 2010.

\*6 Accordingly, we hold that neither Opposer nor Applicant had exclusive rights in the Fulanito mark in connection with any goods or services before this family musical group was dubbed "Fulanito." Given the pivotal role that Opposer's birth family played in the formation and history of this musical group, the absence from Applicant's performances and albums of all the members of the De La Rosa family would suggest a very different musical experience. Finally, we agree with Opposer that after years of multiple De La Rosa family members appearing together on album covers and in public concerts, always wearing matching suits and fedoras, it seems likely that most consumers of Fulanito's public performances and musical recordings would anticipate that Fulanito would be a small group of men, but never a solo act.

"In a use-based application under Trademark Act Section 1(a), only the owner of the mark may file the application for registration of the mark; if the entity filing the application is not the owner of the mark as of the filing date, the application is void ab initio." Great Seats, Ltd. v. Great Seats, Inc., 84 USPQ2d 1235, 1239 (TTAB 2007); see also, 15 U.S.C. § 1051(a); Huang v. Tzu Wei Chen Food Co., Ltd., 849 F.2d 1458, 7 USPQ2d 1335 (Fed. Cir. 1988); Trademark Rule 2.71(d). Accordingly, given the interests of all the known stakeholders as outlined above, and the overall context of this dispute, we find from this rather limited record that Applicant was not the sole owner of this mark as of the filing date of the involved use-based application. At best for Applicant, he was a co-owner of the mark with Opposer, and possibly others, who have not provided their consent to Applicant's registration of the mark. Hence, the involved application is void ab initio.

**Decision**: The opposition is hereby sustained and registration of Applicant's mark is refused under Section 1(a) of the Lanham Act.

# Footnotes

- Application Serial No. 85480930 was filed on November 25, 2011, based upon Applicant's claim of first use anywhere and use in commerce since at least as early as November 20, 1997.
- Opposer filed his original Notice of Opposition on May 8, 2012, and has been operating *pro se* to the present. Applicant filed his answers and other motions *pro se* before hiring his current counsel around August 2013.
- 3 15 TTABVue at 6 of 6. As filed with the Office, they included *prima facie* proof of timely service under Rule 2.119(a).
- These twelve names were (1) Jose Arsenio Rosa Caba, a/k/a Arsenio El Maestro De La Rosa (Opposer's father); (2) Aldo Marin (Label Owner/ Producer/Editor with Cutting Records); (3) Jurgen Korduletsch (Owner of Radikal Records); (4) Salvador Martinez (Promoter at SMP Music); (5) Martha Lopez (Billboard Magazine Rep/Sony Music Rep/Musical Rhythms Promotions President); (6) Rafael Reyes (Producer/Artist/Show Promoter); (7) Joselito Jimenez (Club Promoter/Record Label Exec); (8) Robert Lazarga (Discothéque Owner/Dee Jay); (9) Marino Paredes (Original Fulanito Group Member); (10) Joseph K. Rosa (Opposer's brother / Keyboard Player / Musician) (11) Ney Pimentel (Web Site Designer for www.Fulanito.com) and (12) John D. Nardone (Accountant for WinDose Inter., a production company jointly owned by Opposer and Applicant). See 15 TTABVue at 3-5 of 6.
- Although testimony must be taken during a party's assigned testimony period, it need not be filed prior to the close of that period, See Trademark Rule 2.125(a) & (c).
- 6 17 TTABVue at 40-60 of 70.
- On the other hand, we note that all of the referenced Serraty exhibits were also introduced during the testimony depositions of Messrs. Rosa.
- 8 17 TTABVue at 2-39 of 70.
- 9 17 TTABVue at 61-70 of 70.
- 10 Pamela S. Chestek, 96 TRADEMARK REPORTER 681 (2006).
- Wrist-Rocket Manufacturing Co. v. Saunders, 379 F. Supp. 902 (D. Neb. 1974), aff'd in part and rev'd in part, 516 F.2d 846, cert. denied, 423 U.S. 870, 96 S. Ct. 134, 46 L. Ed. 2d 100 (1975).
- In his brief, Opposer suggests that *Fulanito* is a slang expression sometimes used by Latinos to describe an unknown person, e.g., not unlike the English language expression "*John Doe*."
- 13 C. Rosa testimony at 4, 17 TTABVue 5 of 70.

- 14 *Id.* at 4-9; J. Rosa testimony at 4-12, 17 TTABVue at 18-26 of 70.
- 15 "Vacaneria" (2007).
- 16 "El Hombre Mas Famoso de la Tierra" (1997); "La Nueva Mezcla" (1998); ""El Padrino" (1999); "Americanizao" (2001); "Latin Hip Hop Hits" (2002); and "La Verdad" (2004).
- 17 "Fulanito: Greatest Hits" (2008); and "The Remixes: Fulanito" (2010)
- J. Rosa testimony at 11-12, and Exhibit G. 17 TTABVue at 25-26, 66 of 70.
- 19 C. Rosa testimony at 5, J. Rosa testimony at 3-4, 17 TTABVue 6, 17-18 of 70.
- 20 J. Rosa testimony at 4-5, 18-19, Exhibit L, 17 TTABVue 18-19, 32-33, 70 of 70.
- C. Rosa testimony at 5, J. Rosa testimony at 3-4, 17 TTABVue 6, 17-18 of 70.
- The first album (1997) of Fulanito (the unknown, "John Doe"), is ironically entitled "El Hombre Mas Famoso de la Tierra."
- Album cover from the group's latest remix, "The Remixes: Fulanito" (2010).
- 24 Partial album cover from "Americanizao" (2001).
- 25 Partial album cover from "El Padrino" (1999).
- Opposer's later filed application was Application Serial No. 85561870 filed on March 6, 2012; abandoned September 9, 2013, for failing to respond to Office Action, following a refusal under § 2(d) based upon Applicant's involved application and other informalities.
- 27 Applicant's solo album cover for "Vacaneria" (2007).
- 28 Opposer's publicity poster from June 2008, a performing group without Applicant.
- Opposer's promotional banner from March 2012, a performing group without Applicant that reuses images of group as shown on 1997 album, "El Hombre Mas Famoso de la Tierra."
- 30 Applicant's special form drawing in the involved application.
- 31 J. Rosa testimony at 15-18, Exhibit K, 17 TTABVue at 30-32, 69 of 70.
- 32 J. Rosa testimony at 13-14, Exhibit I, 17 TTABVue at 27-28, 67 of 70.

2014 WL 3421517 (Trademark Tr. & App. Bd.)

**End of Document** 

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2015 WL 5882313 (Trademark Tr. & App. Bd.)

This Opinion is not a Precedent of the TTAB

Trademark Trial and Appeal Board

Patent and Trademark Office (P.T.O.)

ADIDAS AG

v.

## CHRISTIAN FAITH FELLOWSHIP CHURCH

Cancellation No. 92053314 September 14, 2015

\*1 Angelo Notaro, John Zaccaria and Bradley S. Corsello of Notaro, Michalos & Zaccaria, P.C., for adidas AG. Richard W. Young and John E. Conour of Quarles & Brady LLP, for Christian Faith Fellowship Church.

Before Seeherman, Taylor and Greenbaum Administrative Trademark Judges Opinion by Greenbaum Administrative Trademark Judge:

adidas AG ("Petitioner") filed a petition for cancellation of two registrations owned by Christian Faith Fellowship Church ("Respondent") for the marks ADD A ZERO (in standard characters) and <<Unknown Symbol>> for, as amended, "clothing, namely, shirts and caps." <sup>1</sup>

The grounds for cancellation are (1) nonuse prior to the filing dates of Respondent's use-based applications, rendering the registrations void ab initio; (2) abandonment of Respondent's registrations based on at least three consecutive years of nonuse with intent not to resume such use; and (3) failure of the marks to function as trademarks because ADD A ZERO is simply an informational slogan. <sup>2</sup>

Respondent, in its answer to the petition, admitted that Petitioner's application, Serial No. 77822018 for the mark ADIZERO, has been refused registration under Section 2(d) based on Respondent's registrations, and that Respondent never used the marks on pants, <sup>3</sup> and denied the remaining salient allegations in the petition.

Both parties filed briefs, and Petitioner file a reply brief.

For the reasons discussed below, we sustain the petition for cancellation on nonuse grounds. Accordingly, we need not and do not address Petitioner's claims of abandonment or failure to function as trademarks, and we limit our discussion of the evidence, and any evidentiary objections, to Petitioner's claim of nonuse.

## I. Evidentiary Issues

A. Petitioner's Motion to Strike Portions of Discovery Depositions

With its notices of reliance, Petitioner submitted portions of the discovery depositions of Respondent's Fed. R. Civ. P. 30(b)(6) designated witnesses, Craig Mason, Respondent's secretary, treasurer and executive pastor, and Edward Logan, Respondent's president and senior pastor. <sup>4</sup> Respondent submitted a notice of reliance pursuant to Trademark Rule 2.120(j)(4) on additional

portions, with exhibits, of the Mason and Logan discovery depositions. <sup>5</sup> Petitioner previously moved to strike Respondent's notice of reliance. However, the Board deferred consideration of the motion until final hearing insofar as the motion relates to the additional portions from the Mason and Logan discovery depositions. <sup>6</sup> Along with its brief, Petitioner filed separate evidentiary objections which include a continuing objection to the additional portions from the Mason and Logan discovery depositions as improper rebuttal. <sup>7</sup>

\*2 Trademark Rule 2.120(j)(4) provides that if only part of a discovery deposition is made of record by a party, an adverse party may introduce under a notice of reliance any other part of the deposition which should in fairness be considered so as to make not misleading what was offered by the submitting party.

Respondent submitted only one excerpt from each of the discovery depositions in response to the deposition testimony that Petitioner submitted concerning the nonuse claim. <sup>8</sup> The additional testimony submitted by Respondent from the Mason discovery deposition is not outcome determinative. Indeed, in its brief, Respondent does not even mention the additional testimony or the excerpt to which the additional testimony purportedly relates. We therefore need not rule on the portion of the motion to strike directed to the Mason deposition.

Petitioner also submitted an excerpt from Mr. Logan's discovery deposition, in which he states that he does not know whether Respondent shipped any ADD A ZERO merchandise in interstate commerce prior to the filing dates of the applications. Respondent submitted additional testimony from the Logan discovery deposition in which Mr. Logan testifies that Respondent has "members that live in Wisconsin, so they've purchased the Add A Zero" ... "from the bookstore or maybe the internet as well. I don't know for sure." We do not consider the additional excerpts necessary to make the initial excerpt submitted by Petitioner "not misleading," as they do not show that there were any such shipments, or provide an explanation as to why there were not. See Swatch AG (Swatch SA) (Swatch Ltd.) v. M.Z. Berger & Co., 108 USPQ2d 1463, 1466 (sustaining objection to additional testimony because it did not "clarify or correct the testimony offered by opposer"), aff'd, M.Z. Berger & Co. v. Swatch AG, 114 USPQ2d 1892 (Fed. Cir. 2015). To the extent the testimony pertains to sales from the on-line bookstore, it is undisputed that Respondent launched its on-line bookstore (and first made ADD A ZERO merchandise available for sale through the on-line bookstore) in December 2010. Accordingly, sales from the on-line bookstore could not have included any shipments of ADD A ZERO merchandise prior to the March 2005 filing dates of the applications. We therefore grant Petitioner's motion to strike the additional excerpts.

### B. Objections to Mason Trial Testimony and Exhibits

Respondent's other evidence and testimony pertaining to Petitioner's nonuse claim is limited to Mr. Mason's trial testimony concerning: (1) sales and the availability for sale of ADD A ZERO apparel to out of state church members; <sup>13</sup> (2) a copy of a credit card receipt dated January 30, 2005 signed by Clementina Ekong; <sup>14</sup> and (3) a copy of three personal checks bearing addresses in Wisconsin, including one dated February 23, 2005 (prior to the filing date of Respondent's underlying applications) signed by Charlotte Howard; <sup>15</sup> and associated Exhibit 2, a printout of Respondent's receipt journal for sales of ADD A ZERO merchandise, Exhibit 3, a copy of Ms. Ekong's credit card receipt, and Exhibit 4, a copy of the personal checks. <sup>16</sup>

\*3 In the evidentiary objections filed with Petitioner's brief, Petitioner has objected to all of this testimony and to Exhibits 3 and 4 because Mr. Mason "did not testify that he actually observed" any of the sales, or the writing of the checks or the notes on the credit card receipt. As discussed below, Mr. Mason's testimony is based on his own knowledge, and it is relevant to the issue of nonuse. The objections to Mr. Mason's testimony are overruled.

We now turn to Petitioner's objections to Ms. Ekong's credit card receipt and Ms. Howard's personal check.

## 1. Untimely Disclosure

Petitioner contends that neither document is admissible because Respondent produced them on November 22, 2013, after discovery had closed, and indeed, after Petitioner's testimony period had concluded. Petitioner, upon receipt of the documents from Respondent, previously had objected on this basis. <sup>17</sup> With its response to Petitioner's objections, Respondent submitted a letter dated December 9, 2013 from Respondent's counsel to Petitioner's counsel stating:

The four pages of documents that the Church produced on [November 22, 2013] were only just located. They were not responsive to any discovery served by adidas. Even so, and because the Church may rely on them in its case, we promptly produced the documents to you. While discovery in the proceeding is closed, the Church may be willing to consent to some additional, limited discovery about these documents. Please let me know what discovery adidas would like to take. <sup>18</sup>

In its response to Petitioner's evidentiary objections, Respondent states that Petitioner never responded to this letter, and Petitioner does not contend otherwise.

When asked why he had not previously produced the documents, Mr. Mason testified that "to my knowledge," they were not requested. <sup>19</sup> Petitioner did not make of record any discovery requests to which these documents would be responsive, nor did Petitioner file a reply brief to clarify this matter. Thus, we cannot say that Respondent is attempting to rely on documents that were requested but not produced in discovery, and for this reason alone we cannot say that the documents were not timely produced. Moreover, as Respondent points out in its response to this objection, Petitioner "had the opportunity four months before Mr. Mason's deposition to take discovery regarding these documents, but chose not to do so." <sup>20</sup> Petitioner cannot now complain that it was deprived of the opportunity to take discovery regarding the documents. The objection is overruled.

### 2. Hearsay

Petitioner's objection that the documents are inadmissible hearsay is overruled. The documents are admissible as business records pursuant to Fed. R. Ev. 803(6). Mr. Mason testified that the "check copies came from the records that were from bookstore sales" and that he keeps records for all bookstore sales "in my storeroom." Similarly, Mr. Mason testified that he recognized the credit card receipt, and that it is a record that he maintained for the church. <sup>22</sup>

## 3. Lack of Foundation

\*4 During his Rule 30(b)(6) discovery deposition, Mr. Mason testified that as executive pastor his duties include "the financial recordkeeping of the church and all the business aspects." <sup>23</sup> Based on this testimony, and the testimony regarding his practice of keeping the bookstore records in the storeroom, we find that Mr. Mason was familiar with the financial records of the bookstore, including the sales receipt and the personal check at issue. We therefore overrule this objection.

#### 4. Relevance

Petitioner also objects to the credit card receipt on grounds of relevance because Ms. Ekong resided in Illinois at the time of the sale. The credit card receipt is evidence of a sale of the goods, and therefore is relevant regardless of where Ms. Ekong resided on January 30, 2005. The objection is overruled. We discuss below the probative value of the credit card receipt.

### II. Standing

In the May 22, 2013 Board order, the Board granted partial summary judgment that Petitioner had established its standing. <sup>24</sup>

### III. Background

Respondent operates a church in Illinois, close to the Wisconsin border. <sup>25</sup> Church members include residents of the states of Illinois and Wisconsin. <sup>26</sup>

In 2004, in connection with a fundraising campaign, Respondent decided to sell shirts and caps bearing the ADD A ZERO marks. <sup>27</sup> Between December 2004 and July 2005, Respondent bought from Icon Industries, a company based in Illinois, "a modest quantity" of shirts and caps embroidered with the ADD A ZERO marks "to sell in the church's bookstore, located in the basement of the church building." <sup>28</sup>

Prior to the commencement of this proceeding, ADD A ZERO shirts and caps were only available for sale in Respondent's bookstore. Respondent produced during discovery a receipt journal itemizing the bookstore's sales of ADD A ZERO apparel, which both parties made of record. Mr. Mason explained that the receipt journal lists all sales of ADD A ZERO shirts and caps from January 9, 2005 to July 3, 2011. The receipt journal lists sales of approximately 60 ADD A ZERO caps and approximately 70 ADD A ZERO shirts from January 9, 2005 through March 5, 2005, and no additional sales of caps or shirts prior to the filing dates of the applications later that month. Respondent particularly points to the sales dated January 30, 2005 in the amount of \$51.12 for one ADD A ZERO shirt and one ADD A ZERO cap, and February 23, 2005 in the amount of \$38.34 for two ADD A ZERO caps, to counter Petitioner's allegations of nonuse.

Mr. Mason, in his testimony, cross-referenced the January 30, 2005 sale with the credit card receipt from Ms. Ekong, and the February 23, 2005 sale with the personal check from Ms. Howard. <sup>34</sup> There is no record evidence or testimony of any other sales that could support use of the ADD A ZERO marks in commerce prior to the filing dates of the applications.

## IV. Applicable Law - Nonuse

\*5 Under Section 1(a) of the Trademark Act, a mark may not be registered unless it is "used in commerce." 15 U.S.C. § 1051(a). Section 45 of the Trademark Act defines "use in commerce" as follows:

The term "use in commerce" means the bona fide use of a mark in the ordinary course of trade ... (1) on goods when -- (A) it is placed in any manner on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto, or if the nature of the goods makes such placement impracticable, then on documents associated with the goods or their sale, and (B) the goods are sold or transported in commerce. 15 USC 1127.

In addition, "[t]he word 'commerce' means all commerce which may lawfully be regulated by Congress." 15 U.S.C. § 1125.

An application filed under Section 1(a) of the Trademark Act is void ab initio where it is found that there was no use of the mark in commerce on the identified goods prior to the filing date of the application. <sup>35</sup> See Couture v. Playdom, Inc., 778 F.3d 1379, 113 USPQ2d 2042, 2043 (Fed. Cir. 2015) ("To apply for registration under Lanham Act § 1(a), a mark must be 'used in commerce.' 15 U.S.C. § 1051(a)(1). ... Use in commerce must be 'as of the application filing date.' 37 CFR § 2.34(a)(1) (i)," and "The registration of a mark that does not meet the use [in commerce] requirement is void ab initio."), *citing Aycock Engineering Inc. v. Airflite Inc.*, 560 F.3d 1350, 90 USPQ2d 1301, 1305 (Fed. Cir. 2009); *ShutEmDown Sports Inc. v. Lacy*, 102 USPQ2d 1036, 1045 (TTAB 2012) (nonuse by respondent at the time of filing the underlying use-based application resulted in cancellation of registration).

In the May 22, 2013 Board order denying the parties' cross-motions for summary judgment on nonuse and abandonment, the Board provided the following guidance to the parties:

""[C]ommerce' includes intrastate transactions that affect interstate or foreign commerce." *In re Silenus Wines, Inc.*, 557 F.2d 1977, 194 USPQ 261, 266-67 (CCPA 1977). The issue is whether the transactions exert "a substantial economic effect on interstate commerce, and irrespective of whether such effect is what might at some earlier time have been defined as 'direct' or 'indirect." *Wickard v. Filburn*, 317 U.S. 111, 125 (1942). *Accord, In re U.S. Home Corporation of Texas*, 201 USPQ 602, 604 (TTAB 1978) ("We fail to perceive that what applicant does has any substantial effect on interstate commerce."). Evidence that the mark has been used in connection with services rendered to customers traveling across state boundaries may be sufficient for the use in commerce requirement. *Larry Harmon Pictures Corp. v. Williams Restaurant Corp.*, 929 F.2d 662, 18 USPQ2d 1292, 1295 (Fed. Cir. 1991); *Pamex Foods, Incorporated v. Clover Club Foods Company*, 201 USPQ 308, 314 n.5 (TTAB 1978).

\* \* \*

\*6 ... There are, at a minimum, genuine disputes remaining for trial relating to the impact of [R]espondent's sales of ADD A ZERO clothing in commerce which Congress may regulate .... <sup>36</sup>

Respondent contends that the sales of one shirt and one cap to Ms. Ekong and two caps Ms. Howard, and Respondent's offers to sell the merchandise to out-of-state parishioners, are sufficient to show use in commerce of the marks on the goods prior to the filing dates of the underlying applications.

With respect to the sales transactions, although the evidence shows a sale of one shirt and one cap to Ms. Ekong on January 30, 2005, there is no evidence that this sale was made in interstate commerce, or in commerce that affects interstate commerce. There is simply no testimony or evidence as to where Ms. Ekong was living on January 30, 2005. At most, we have Mr. Mason's testimony that Ms. Ekong lived on the Great Lakes naval base in Illinois at the time of Mr. Mason's testimony in 2014, and that Ms. Ekong previously had been stationed there. Mr. Mason did not know if Ms. Ekong is a resident of Illinois, and he was not asked where she resided on January 30, 2005: "I'm not sure if she's a resident of Illinois. I do know that Ms. Ekong is in the military and that she was a member of the church. For a period of time, she left and has returned last year as she was re - reassigned to Great Lakes naval base." <sup>37</sup> As for the transaction involving Ms. Howard, her check bears an address in Wisconsin. We view this as evidence that she lived in Wisconsin and, combined with Mr. Mason's testimony that Respondent's parishioners live in Wisconsin as well as Illinois, <sup>38</sup> it is sufficient for us to conclude that she crossed state lines when she purchased the two caps in the Church's bookstore in Illinois on February 23, 2005.

To be clear, prior to the filing dates of the underlying applications, all sales of shirts and caps were made in person to purchasers physically at Respondent's church bookstore in Illinois. Respondent does not argue that the shipments of shirts and caps from Icon Industries (located in Illinois) to Respondent, for subsequent sale by Respondent in Illinois, affect interstate commerce. *Compare Silenus Wines*, 194 USPQ at 263 (wine imported from France and subsequently sold intrastate constitutes use in commerce). Nor does Respondent argue that any customers, other than Ms. Howard (and possibly Ms. Ekong), came to the bookstore from other states to purchase the goods. Respondent's sole argument, as previously stated, is that the intrastate sales to Ms. Ekong and Ms. Howard, and the ability to sell the goods to out-of-state parishioners who cross state lines to attend the church, have an effect on interstate commerce.

Respondent relies on three cases from our primary reviewing court and its predecessor for the proposition that the marks were used in commerce because out-of-state parishioners crossed state lines to purchase ADD A ZERO apparel. <sup>39</sup> In the first case, *In re Gastown, Inc.*, 326 F.2d 780, 140 USPQ2d 216, 217 (CCPA 1964), the court held that an operator of service stations in Ohio that "provides automotive service and maintenance for customers who are travelling interstate on federal highways in

the course of engaging in interstate commerce ... directly affect[s] interstate commerce" because the services include gasoline delivery to "vehicles stalled on highways," which vehicles "[o]bviously ... could not travel at all without the gasoline."

\*7 The court extended the *Gastown* rationale to goods in *Silenus Wines*, 194 USPQ2d at 263, and allowed registration of a mark used on wine imported from France because were it not for the intrastate sales anticipated by the appellant-importer, the foreign commerce that occurred in this case would

probably not have occurred - unquestionably a direct effect. While appellant's importation is not itself a 'use in commerce' by appellant, it is evidence that appellant's sale within Massachusetts was so intimately involved with foreign commerce as to become a 'use in commerce' as defined in the Lanham Act.

*Id.* at 264. The court further held that "intrastate sale of goods, by the party who caused those goods to move in regulatable commerce, directly affects that commerce and is itself regulatable. Clearly, intrastate sale of imported wines by the importer sufficiently affects commerce with foreign nations to qualify those intrastate sales for the Trademark Act definition of 'commerce."

Respondent also relies on *Larry Harmon*, 18 USPQ2d at 1295, which held that a single-location restaurant that serves customers traveling across state lines constitutes "use in commerce."

Here, the sales to Ms. Howard and Ms. Ekong were made in the church bookstore in Illinois, and the transfers of goods from Respondent to Ms. Howard and Ms. Ekong occurred at the time of the sales. Although there are situations in which intrastate sales may be found to have such an effect on commerce that may be controlled by Congress that the activities constitute use in commerce, there must be a showing that the activities have such an effect. *See Silenus Wines*, 194 USPQ at 264. *Compare In re Cook, United, Inc.*, 188 USPQ 284, 287 (TTAB 1975) (applicant who sells a product exclusively within a single state cannot satisfy the "use in commerce" requirement by relying on the fact that purchasers of the product may come from another state and/or transport the product across state lines); *In re The Bagel Factory, Inc.*, 183 USPQ 553, 554 (TTAB 1974) (sales entirely within Michigan cannot support federal registration even when a customer transported the product to Ohio after sale). In this instance, we find that the sale of two ADD A ZERO caps at a minimal cost within the state of Illinois to Ms. Howard, who resides outside the state, does not affect commerce that Congress can regulate such that the transaction would constitute use in commerce for purposes of registration. <sup>40</sup>

To the extent Respondent suggests that simply offering its ADD A ZERO caps and shirts in the bookstore to parishioners who reside out of state prior to the filing dates of the applications, combined with the sales to Ms. Howard and Ms. Ekong (which we have already found insufficient), constitute use of the marks in commerce, <sup>41</sup> Respondent cites no support for this proposition, and we are not aware of any. Section 45 of the Trademark Act does not provide a means to obtain a registration based on use in commerce without making a "bona fide use of the mark in the ordinary course of trade" which, as set forth in Section 45(1) (B), requires "that the goods are sold or transported in commerce." *Compare Couture v. Playdom*, 113 USPQ2d at 2043-2044 (merely offering a service, without actually providing it, does not constitute use in commerce). Thus, Respondent cannot rely on the fact that its goods *could* have been purchased by people who reside out of state, and Respondent is still left with the sale in Illinois of two caps to a Wisconsin resident as the only evidence of a sale that arguably could affect interstate commerce. This sale is de minimis and, under the circumstances shown here, is insufficient to show use that affects interstate commerce.

\*8 We therefore find that Respondent did not make use of its marks on its identified goods in commerce prior to the filing of its use-based applications.

**Decision**: The petition to cancel Respondent's marks ADD A ZERO and <<Unknown Symbol>> is granted on the ground of nonuse. Registration Nos. 3173207 and 3173208 will be cancelled in due course.

#### Footnotes

- Registration Nos. 3173207 and 3173208, respectively, both issued on November 21, 2006. Respondent filed applications for the former on March 23, 2005, and the latter on March 24, 2005.
- The petition for cancellation also includes a claim that Respondent's marks are "ornamental and/or functional" (Pet. ¶¶ 24, 26, 11 TTABVUE 4), but Petitioner did not pursue this claim in its briefs. The claim, therefore, is deemed to be waived. *Krause v. Krause Publications Inc.*, 76 USPQ2d 1904, 1906 n.2 (TTAB 2005). We also note that the petition for cancellation originally included a claim for partial cancellation of the registrations pursuant to Section 18 of the Trademark Act, 15 U.S.C. § 1068. On February 3, 2014, the Board granted Petitioner's motion to withdraw said claim, and dismissed the claim with prejudice. 46 TTABVUE 1.
- The registrations originally included "pants" in the identification of goods, but these goods were deleted from the registrations with preclusive effect. *See* May 22, 2013 Board Order. 31 TTABVUE 6-7, 9.
- 4 36 TTABVUE 336-526 (Petitioner's Ninth Notice of Reliance, portions of Mason Discovery Deposition with exhibits) and 36 TTABVUE 527-578 (Petitioner's Tenth Notice of Reliance, portions of Logan Discovery Deposition with exhibits).
- 57 TTABVUE, originally submitted as 49 TTABVUE. Respondent seeks to introduce eight additional portions from the Mason deposition with exhibits (57 TTABVUE 2-78), four additional portions from the Logan deposition (57 TTABVUE 79-85), and Respondent's Trial Exhibit No. 13 (57 TTABVUE 86-94).
- 56 TTABVUE. The Board also granted the motion to strike Respondent's Trial Exhibit No. 13 (originally submitted as 49 TTABVUE 86-94) on procedural grounds, and allowed Respondent time to submit a substitute notice of reliance with respect thereto. Respondent complied. 57 TTABVUE 86-94. Petitioner continues to object to this evidence in its brief (59 TTABVUE 14-15) and in its concurrently filed evidentiary objections (63 TTABVUE). We need not address this objection, however, because this exhibit pertains only to Petitioner's claim of abandonment.
- 7 59 TTABVUE 13.
- 8 Mason Discov. Dep. 151:2-29, 57 TTABVUE 38 (purportedly to counter Mason Discov. Dep. 148:23-151:1, 36 TTABVUE 440-443), and Logan Discov. Dep. 38:22-39:5, 57 TTABVUE 84-85 (purportedly to counter Logan Discov. Dep. 37:16-38:21, 36 TTABVUE 567-568).
- 9 36 TTABVUE 566-568.
- 10 38-39, 57 TTABVUE 83-84.
- 11 Respondent's Answers to Interrogatory Nos. 3 and 7, 36 TTABVUE 286-287, and 36 TTABVUE 436.
- We add that consideration of Mr. Logan's excluded testimony would not have affected the outcome herein.
- 13 50 TTABVUE 15-16.
- 14 50 TTABVUE 17-20 and 29.
- 15 50 TTABVUE 21-25, 29.
- 50 TTABVUE 50-67 at 51-52 (Exhibit 2), 50 TTABVUE 68 (Exhibit 3) and 50 TTABVUE 69 (Exhibit 4). The other two checks in Exhibit 4 also bear Wisconsin addresses, but they post-date the filing date of the applications by approximately five months.
- 17 59 TTABVUE 24-25.
- 18 61 TTABVUE 36.
- 19 50 TTABVUE 25 and 34.
- 20 61 TTABVUE 22,
- 21 50 TTABVUE 24.
- 22 50 TTABVUE 17-18.
- 23 36 TTABVUE 352.
- 24 31 TTABVUE 6.
- 25 50 TTABVUE 13.
- 26 50 TTABVUE 13-14.
- 27 36 TTABVUE 417-421, 36 TTABVUE 548-550, and Exh. PX27, 36 TTABVUE 572.
- 28 Resp. Br. at 2, 60 TTABVUE 7. 36 TTABVUE 364, 371-374, 379, and Exhs. PX11-14, 36 TTABVUE 466-472.
- 36 TTABVUE 390. Although Mr. Mason testified that Respondent now has an online bookstore, as noted above, it began operating after this proceeding commenced. *Id.* at 286-287 and 436.
- Petitioner made the receipt journal of record with Ninth Notice of Reliance, as Exhibit 7 to the Mason Discov. Dep., 36 TTABVUE 475-492. Respondent also introduced the receipt journal as Exhibit 2 to the Mason Tr. Test., 50 TTABVUE 50-67.
- 31 36 TTABVUE 393-415.

- 32 36 TTABVUE 475-480, 50 TTABVUE 50-55.
- 33 36 TTABVUE 476-477, 50 TTABVUE 51-52. The receipt journal lists other sales of ADD A ZERO merchandise on January 30, 2005 and February 23, 2005 (*id.*), but there is no testimony or other evidence concerning those sales, and Respondent does not mention them in its brief. We therefore give these other sales no further consideration.
- 34 50 TTABVUE 21-25 and 51-52 (Exhibit 2, receipt journal).
- This statement is true for single class applications such as those underlying the registrations here at issue. We note that in multiple class applications, the failure to make use of the mark on goods in one of the classes will not affect the viability of the other classes.
- 36 31 TTABVUE 7-9.
- 50 TTABVUE 19. Further, even if there were evidence that Ms. Ekong was living on the Great Lakes naval base on January 30, 2005, Respondent has cited no statute or case law to the effect that simply because a consumer resides on a military base, a single intrastate sale not occurring on the base to such a person would be deemed a use in interstate commerce.
- 38 50 TTABVUE 13-14.
- Although Respondent makes this broad statement in its brief, Respondent does not clearly articulate why Ms. Ekong falls in this category. Nonetheless, the remainder of this decision analyzes both sales for their impact, if any, on interstate commerce.
- We have already found that the testimony regarding Ms. Ekong is not sufficient to show that she could be considered an out-of-state resident at the time the sale was made to her. In any event, the minimal sale to Ms. Ekong of one ADD A ZERO cap and one ADD A ZERO shirt was not sufficient for us to conclude that it affected commerce regulable by Congress or that the combined sales to Ms. Ekong and Ms. Howard had such an effect.
- 41 60 TTABVUE 11-13.

2015 WL 5882313 (Trademark Tr. & App. Bd.)

**End of Document** 

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HEIDELBERGER DRUCKMASCHINEN
AG a corporation of Germany, Plaintiff,
v.
OHIO ELECTRONIC ENGRAVERS,
INC., an Ohio corporation, Defendant.

No. 98 C 7946. | May 12, 2000.

# **Expand Construed Terms**

### MEMORANDUM OPINION AND ORDER

HART, J.

\*1 Plaintiff Heidelberger Druckmaschinen AG alleges that defendant Ohio Electronic Engravers, Inc. infringed plaintiff's patent, U.S. Patent No. 4,259,697 (the "'697 patent"). Through the course of this litigation, plaintiff has narrowed its claim of infringement to a contention that defendant infringed claim 7 of the '697 patent, a method for improved reproduction of edges during the engraving of screened printing forms. Plaintiff alleges that defendant produces an engraving machine that directly infringes the patent and that defendant has induced and contributed to infringement by selling its engraving machine. Plaintiff has moved for summary judgment that the accused device literally infringes the '697 patent. Plaintiff also moves for summary judgment that claim 7 was not anticipated, which is one of the defenses raised by defendant. 1 In two related motions, plaintiff moves to exclude or strike certain evidence that plaintiff has presented in response to summary judgment. Additionally, at the court's request, the parties have presented nominees to be a court-appointed expert in the event that the court determines such an appointment would be appropriate.

On a motion for summary judgment, the entire record is considered with all reasonable inferences drawn in favor of the nonmovant and all factual disputes resolved in favor of the nonmovant. Augustine Medical, Inc. v. Progressive

Dynamics, Inc., 194 F.3d 1367, 1370 (Fed.Cir.1999); Schneiker v. Fortis Insurance Co., 200 F.3d 1055, 1057 (7th Cir.2000); Baron v. City of Highland Park, 195 F.3d 333, 337-38 (7th Cir.1999). The burden of establishing a lack of any genuine issue of material fact rests on the movant. Vivid Technologies, Inc. v. American Science & Engineering, Inc., 200 F.3d 795, 806-07 (Fed.Cir.1999); Wollin v. Gondert, 192 F.3d 616, 621–22 (7th Cir.1999); Essex v. United Parcel Service, Inc., 111 F.3d 1304, 1308 (7th Cir.1997). The nonmovant, however, must make a showing sufficient to establish any essential element for which it will bear the burden of proof at trial. Celotex Corp. v. Catrett, 477 U.S. 317, 322, 106 S.Ct. 2548, 91 L.Ed.2d 265 (1986); Shank v. William R. Hague, Inc., 192 F.3d 675, 681 (7th Cir.1999); Wintz v. Northrop Corp., 110 F.3d 508, 512 (7th Cir.1997). The movant need not provide affidavits or deposition testimony showing the nonexistence of such essential elements. Celotex, 477 U.S. at 324.Also, it is not sufficient to show evidence of purportedly disputed facts if those facts are not plausible in light of the entire record. SeeParagon Podiatry Laboratory, Inc. v. KLM Laboratories, Inc., 984 F.2d 1182, 1191 (Fed.Cir.1993); NLFC, Inc. v. Devcom Mid-America, Inc., 45 F.3d 231, 236 (7th Cir.), cert. denied,515 U.S. 1104, 115 S.Ct. 2249, 132 L.Ed.2d 257 (1995); Covalt v. Carey Canada, Inc., 950 F.2d 481, 485 (7th Cir.1991); Collins v. Associated Pathologists, Ltd., 844 F.2d 473, 476-77 (7th Cir.), cert. denied, 488 U.S. 852, 109 S.Ct. 137, 102 L.Ed.2d 110 (1988). As the Seventh Circuit has summarized:

\*2 The moving party bears the initial burden of directing the district court to the determinative issues and the available evidence that pertains to each. "[A] party seeking summary judgment always bears the initial responsibility of informing the district court of the basis for its motion, and identifying those portions of 'the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any' which it believes demonstrate the absence of a genuine issue of material fact ." Celotex Corp. v. Catrett, 477 U.S. 317, 323, 106 S.Ct. 2548, 91 L.Ed.2d 265 (1986); id. at 325 ("the burden on the moving party may be discharged by 'showing'—that is, pointing out to the district court—that there is an absence of evidence to support the nonmoving party's case"). Then, with respect to issues that the non-moving party will bear the burden of proving at trial, the non-moving party must come forward with affidavits, depositions, answers to interrogatories or admissions and designate specific facts which establish that there is a genuine issue for trial. Id. at 324. The non-moving party cannot rest on

the pleadings alone, but must designate specific facts in affidavits, depositions, answers to interrogatories or admissions that establish that there is a genuine triable issue. *Id.* The non-moving party "must do more than simply show that there is some metaphysical doubt as to the material facts." *Matsushita Elec. Indus. Co. v. Zenith Radio Corp.*, 475 U.S. 574, 586, 106 S.Ct. 1348, 89 L.Ed.2d 538 (1986). "The mere existence of a scintilla of evidence in support of the [non-moving party's] position will be insufficient; there must be evidence on which the jury could reasonably find for the [non-moving party]." *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 252, 106 S.Ct. 2505, 91 L.Ed.2d 202 (1986).

Selan v. Kiley, 969 F.2d 560, 564 (7th Cir.1992).

Claim 7 of the '697 patent reads as follows:

A method for improved reproduction of edges in originals during the engraving of screened printing forms, wherein an engraving tool of an electromagnetic engraving member controlled by an engraving signal cuts a plurality of cups into said printing forms, the method comprising the steps of:

- (a) generating a screen signal which represents the printing screen and said screen signal causes an oscillating movement of said engraving tool at the frequency of the screen signal, whereby the engraving tool in each case has its largest deflection in the direction of the printing form at a periodically recurrent amplitude value of the screen signal.
- (b) scanning the original image point by point to obtain an analog image signal,
- (c) converting said analog image signal to a digital image signal,
- (d) sampling said image signal at a frequency which is higher than the frequency of the screen signal to obtain digital principal image values corresponding to the first image points in the original and additional intermediate digital image values corresponding to image points of the original lying between said first image points in the scanning direction,
- \*3 (e) reconverting said principal digital image values and said intermediate digital image values into an analog image signal, whereby a single signal jump which occurs during scanning an edge in the original is divided up into

consecutive partial signal jumps, said reconverted image signal determining the depth of the cups to be engraved and the density level to be reproduced,

(f) superimposing said reconverted analog image signal onto said screen signal to obtain said engraving signal in such a relation that the partial signal jumps associated with the principal image values are phase shifted to lead in time to the recurrent amplitude values of the screen signal, whereby the cups representing an edge in the original are shifted relatively to the printing screen toward the higher level of density so as to accomplish improved reproduction of edges.

Before turning to the facts assumed to be true for purposes of summary judgment, plaintiff's objections to defendant's evidence will be considered. Plaintiff objects that certain evidence was not timely disclosed during discovery and that one of defendant's experts, Dalbert Shefte, is not qualified to opine on certain issues . <sup>2</sup>

Plaintiff objects to defendant's use of Shefte as an expert. Shefte is an attorney who has specialized in intellectual property law, including patent law. He has an undergraduate degree in mechanical engineering. According to his curriculum vitae, Shefte's "practice includes the study and evaluation of inventions, the preparing and prosecuting of patent applications in the U.S. Patent Office, analyzing patent validity and infringement issues, litigating on behalf of patentees and alleged infringers, negotiating and drafting of licenses and other agreements, and counseling clients with regard to inventions and patents." Defendant contends Shefte is one of ordinary skill in the pertinent art based on his mechanical engineering degree and his work experience representing an engraver and a printing industry trade association.

The parties agree that "[t]he art to which the '697 patent belongs is electronic halftoning generally and the application of electronic halftoning to engraving specifically." *See* Infringement Rule 56.1 Stmt. ¶ 18. The experts provided various definitions of one ordinarily skilled in the art, definitions which do not strictly correspond with the parties' description of the pertinent art. In his report, Shefte referred to the relevant art as "the art of printing, engraving and the graphic arts field, including lithography, chemical etching, offset printing, letterpress, color separation, film plotting and other graphic arts and printing processes." Shefte Rpt. 22–23. He described those ordinarily skilled in the art as having

college degrees in a technical field and several years of experience in the relevant art. Id. at 23.After being asked about this definition at his deposition, Shefte testified that he is not one of ordinary skill in the art relevant to the '697 patent. Shefte Dep. 36. Shefte also testified that, using the definition of another one of defendant's experts (Ernst Hoffman) which was limited to gravure, Shefte did not qualify as one of ordinary skill in the art. Id. at 34.Defendant points to the testimony of one of plaintiff's experts, Robert Stevenson, indicating that the art applicable to the '697 patent is engraving which uses signal processing and image processing. Stevenson Dep. 24. Stevenson defined one who is skilled in the art as "[s]omeone who would pick up that<sup>3</sup> and understand that and be able to apply it; someone who has at least a bachelor's degree in engineering, mechanical or electrical, and some experience with signal processing beyond what you would get out of the bachelor's program." Id. at 24-25.Defendant contends Shefte satisfies that definition. Defendant, however, presents no specific evidence that Shefte's performance of legal work for printers and engravers resulted in his maintaining and acquiring sufficient skills as regards signal processing and image processing.

\*4 Shefte has not been shown to be one of at least ordinary skill in the art applicable to the '697 patent. <sup>4</sup> Neither has he been shown to have the qualifications to testify as an expert in the field of engraving, mechanical engineering, signal processing, or other technical fields pertinent to the '697 patent. He has been shown to be well qualified as an expert in the field of patent law. The question is whether, as an expert in that field, he can provide any useful testimony regarding the issues pertinent to summary judgment.

To the extent it is appropriate to resort to extrinsic evidence in construing claim 7, expert testimony is one possible source to consider. *SeeZodiac Pool Care, Inc. v. Hoffinger Industries, Inc.*, 206 F.3d 1408, 1414 (Fed.Cir.2000); *Pitney Bowes, Inc. v.. Hewlett–Packard Co.*, 182 F.3d 1298, 1308 (Fed.Cir.1999). As an aid to understanding the underlying technology, or sometimes as an aid to understanding technical terms, testimony from one skilled in the art may be helpful. *Seeid.* at 1308–09.

[I]t is entirely appropriate, perhaps even preferable, for a court to consult trustworthy extrinsic evidence to ensure that the claim construction it is tending to from the patent file is not inconsistent with clearly

expressed, plainly apposite, and widely held understandings in the pertinent technical field. This is especially the case with respect to technical terms, as opposed to nontechnical terms in general usage or terms of art in the claim-drafting art, such as "comprising." Indeed, a patent is both a technical and legal document. While a judge is wellequipped to interpret the legal aspects of the document, he or she must also interpret the technical aspects of the document, and indeed its overall meaning, from the vantage point of one skilled in the art.

Id. at 1309.

However, testimony from a patent lawyer, not skilled in the art, as to how to construe the language of the patent generally will not be helpful and may be excluded. Endress + Hauser, Inc. v. Hawk Measurement Systems Pty. Ltd., 122 F.3d 1040, 1042 (Fed.Cir.1997); Markman v. Westview Instruments, Inc., 52 F.3d 967, 983 (Fed.Cir.1995) (en banc), aff'd,517 U.S. 370, 116 S.Ct. 1384, 134 L.Ed.2d 577 (1996); Abraskin v. Entrecap Corp., 55 F.Supp.2d 224, 228 (S.D.N.Y.1999). 5 Nothing in Shefte's reports, his deposition testimony, or affidavit is found to be helpful in construing the meaning of claim 7. He simply attempts to construe the language as written. He does not provide any assistance within his particular expertise or knowledge as a patent lawyer. See, e.g., John B. Sgagna, Jr., Presenting the Witnesses Special to a Patent Trial, 572 Practising Law Institute/ Patent Litigation 95, 109 (1999) (patent lawyer testimony regarding prosecution history). Shefte's testimony will not be considered for purposes of claim construction.

Defendant also contends Shefte can provide evidence that is relevant to the defense of anticipation. As previously discussed, however, Shefte lacks skill in the art. His statements that the '697 patent was anticipated by the prior art therefore lack a sufficient foundation to be considered. <sup>6</sup>

\*5 Much of plaintiff's motion to strike relates to documents that plaintiff contends were untimely disclosed by defendant. Discovery in this case closed on October 27, 1999. Document discovery closed prior to that time. Defendant represents that additional documents were discovered in November

1999 and timely disclosed to plaintiff as supplements to prior discovery responses. The additional documents were provided to plaintiff on December 2 and 3, a few days before the due date for defendant's answer to plaintiff's summary judgment motions. Defendant provides affidavits supporting that the additional documents were found in two places. One set of documents, which concern development of defendant's engraver more than 20 years ago, was found in a cabinet of an engraving technician who had left defendant's employ in December 1998. These documents were found approximately November 8 when the cabinet was being moved to install a work bench. The other set of documents was provided to David Seitz, defendant's Vice-President of Research and Development, on November 29. Seitz received the documents from Lester Buechler, the inventor of defendant's engraver and defendant's former owner. Buechler is now in his eighties and no longer employed by defendant, but he has cooperated in defendant's defense of this lawsuit. The documents were at Buechler's house and largely consist of old invoices, cancelled chec, and receipts. Defendant relies on some of these documents as evidence of when Buechler developed defendant's engraver.

There is nothing to directly refute defendant's representation as to how and when these documents were found. Plaintiff argues that it is suspicious that they were found during the time period that defendant would have been preparing its response to the summary judgment motion. Plaintiff suggests that a more thorough search during the period of discovery also would have resulted in the documents being found. Defendant's version of the facts, however, is supported by affidavit and is not so incredible that it cannot be believed. It is accepted that defendant acted in good faith in performing its original document search and the additional documents were a surprise to defendant as well. Plaintiff also complains about the three to four week delay in turning over the first set of documents. While this may be longer than it should have taken defendant to turn over the documents, it is not so long that it can be characterized as undue delay. Additionally, plaintiff has shown no prejudice from receiving the documents after the close of discovery. This is not the eve of trial, so plaintiff is not prejudiced in preparing for trial. There is also no indication that plaintiff was unable to sufficiently prepare its reply in support of summary judgment nor does it contend that it would not have incurred the expense of moving for summary judgment had it known about the additional documents. Further, there is no contention that the additional disclosures would result in plaintiff having to duplicate prior discovery.

\*6 It is found that defendant seasonably supplemented its discovery. No portion of defendant's response to summary judgment will be stricken based on untimely disclosure of the two sets of documents.

Plaintiff seeks to strike the affidavit of George Battrick on the ground that he was not previously disclosed as a witness. Battrick is an employee of the European Rotogravure Association ("ERA"). His affidavit authenticates the minutes of an ERA meeting from 1977. The minutes themselves were disclosed in discovery. Battrick's affidavit will not be stricken.

In addition to objecting to the affidavit of David Seitz on the ground that it relies on the belatedly disclosed documents, plaintiff objects that Seitz was not properly disclosed as an expert and did not provide an expert's report. Plaintiff also contends that, in part, Seitz's affidavit contradicts his prior deposition testimony.

Rule 26(a)(2)(B) requires that a report be provided by "a witness who is retained or specially employed to provide expert testimony in the case or whose duties as an employee of the party regularly involve giving expert testimony." Seitz is an employee of defendant, not specially retained. Also, being an expert witness is not a regular aspect of his employment. The report requirement of Rule 26(a)(2)(B) does not apply to him and plaintiff implicitly concedes this in its reply.

Rule 26(a)(2)(A) does not limit its disclosure requirement to retained experts or employees whose regular duties include expert testimony. Defendant does not deny that it did not expressly disclose during discovery that Seitz would provide expert testimony. It contends, however, that, during his deposition, Seitz was thoroughly questioned by plaintiff regarding his opinions. Plaintiff does not specifically point to any opinion expressed in Seitz's affidavit for which it asked no questions during his deposition. Plaintiff does not show that it was deprived of any pertinent discovery due to the untimely disclosure nor that it was otherwise prejudiced. Seitz's affidavit will not be stricken on the ground of failure to timely disclose that he would be used as an expert.

As to any contradictions between Seitz's affidavit and prior deposition testimony, plaintiff's contentions would be considered in the process of determining the existence of genuine factual disputes. <sup>7</sup> See generallySinskey v. Pharmacia Ophthalmics, Inc., 982 F.2d 494, 498

(Fed.Cir.1992), cert. denied,508 U.S. 912, 113 S.Ct. 2346, 124 L.Ed.2d 256 (1993); Piscione v. Ernst & Young, L.L.P., 171 F.3d 527, 532–33 (7th Cir.1999).

The objection to the Buechler affidavit is solely based on the delayed disclosure of documents. As previously discussed, that evidence will not be stricken. That objection is denied.

Resolving all genuine factual disputes and drawing all reasonable inferences in defendant's favor, the facts assumed to be true for purposes of summary judgment are as follows. The invention of the '697 patent is generally related to an improved electronic halftoning technique for engraving devices. Engraving devices produce printing forms which are generally used in high volume printing devices. On these printing forms, the engraving devices engrave a series of cups. <sup>8</sup> When the form is used on a printing device, the cups hold ink which is then transferred to the final printing surface. The engraving device determines the size, depth, and location of the cups, which determines how much ink is deposited at a particular location. The amount of ink determines the tone at that location.

\*7 Often, the subject matter being printed is in the form of a continuous image, for example, a photograph. Such an image will have a continuance of values between white and black, often referred to as gray levels. Electronic halftoning is the process by which gray level information from a continuous tone image is used by an engraving machine to engrave cups corresponding in depth and width to the gray level information. The electronic halftoning technique contained in both claim 7 and the accused device involve scanning image information from an original source, converting the resulting analog signal into a digital signal, reconverting the digital signal into an analog signal, and using the resulting analog signal to reproduce the original image. The signal that determines location of a cup on the printing form is referred to as the "screen signal."

Prior art sampled gray level information from an original image at a rate of once per engraved cell. <sup>10</sup> In other words, the sampling frequency for the original image matched engraved cell frequency on the printing form. The '697 patent is different. It samples gray level information from the original image more than once per engraved cell. In other words, under the '697 patent, the sampling frequency for the original image is greater than the engraved cell frequency. Another way of describing this is that the original image is scanned at shorter intervals than an individual engraving

cell. <sup>11</sup> The scanning points on the image that correspond with the engraved cell are referred to as being represented by principal image values. The image scanning points that lie between are referred to as being represented by intermediate image values. The principal image value is combined with the intermediate image values that follow it in the scanning direction to produce an image signal value which instructs the engraving device as to how to engrave an individual cup. Further, as stated in claim 7, the higher frequency sampling is performed on a digital signal and converted back to an analog signal when recombined.

The technique claimed in the '697 patent is claimed to result in an improvement over prior art in the reproduction of high contrast areas by recombining the multiple image values in a manner that shifts the center of cups in high contrast areas toward the darker region. This is claimed to result in a printed image with a sharper contrast that is more pleasing to the human eye than those resulting from prior art.

As to the preceding description of claim 7, the parties are in agreement. They differ, however, as to the construction of other provisions of claim 7, including the meaning of partial signal jumps, phase shifting, and recurrent amplitude values.

The '697 patent refers to analog and digital signals, including conversions between the two types of signals. The parties agree that the "most relevant definition" of analog as used in the '697 patent is "pertaining to devices, data, circuits, or systems that operate with variables which are represented by continuously measured voltages of other quantities." In other words, an analog signal is a continuous signal with the magnitude varying up and down. In terms of the printing process, an analog signal is a continuous line or wave representing varying gray levels. For present purposes, the parties agree that digital means "pertaining to data in the form of digits." For example, one embodiment in the '697 patent refers to a digital converter with 8 bits resolution. This means that the continuum of gray levels from black (0) to white (255) would be represented by 256 different numbers. 12 Unlike the analog representation, each digit represents a discrete point on the continuum from black to white; it is not one continuous, uninterrupted gradation. To convert the scanned image's resulting analog signal to a digital signal, the analog signal is sampled at equally spaced and discrete intervals and a corresponding numerical value is assigned for each interval sampled. 13

\*8 Resolving the parties' dispute requires understanding what is meant by "superimposing said reconverted analog image signal onto said screen signal to obtain said engraving signal in such a relation that the partial signal jumps associated with the principal image values are phase shifted to lead in time to the recurrent amplitude values of the screen signal."As previously set forth, the screen signal locates the engraving device on the printing form. Superimposing the image signal onto the screen signal means that the image signal tells the engraving device how to cut the cup at a particular location identified by the screen signal.

As stated in paragraph (a) of claim 7, the "recurrent amplitude value of the screen signal" is the point at which the engraving device has "its largest deflection in the direction of the printing form."In other words, it is the point at which the engraving device finishes its cutting of a cup, which would be the point at which it is deepest into the printing form. Plaintiff contends this corresponds with the trough of the sine wave of the screen signal. Defendant contends it corresponds with the bottom of the sine wave.

The term "partial signal jumps" apparently corresponds to the intermediate values. The parties agree that elements 40 and 41 contained in Figures 3a(B) and 3b(B) of the '697 Patent are examples of partial signal jumps.

The parties disagree as to what claim 7 means by "phase shifted to lead in time." Plaintiff contends its proposed construction is evident from drawings contained in the patent. Defendant relies on testimony of the inventor. Plaintiff contends that a "phase shift" is a "relative time difference between two or more events."Infringement Rule 56.1 Stmt. ¶ 51. Defendant contends it is "an actual act of adjusting the relationship between the image signal and the screen signal and is not simply a temporal relationship between these two signals." Response to Infringement Rule 56.1 Stmt. ¶ 51. Plaintiff contends that "phase shifted to lead in time" means "the partial signal jumps associated with the principal image values of the reconverted image signal periodically occur before the recurrent amplitude values of the screen signal."Infringement Rule 56.1 Stmt. ¶ 52. Defendant disagrees.

Plaintiff relies on drawings in the '697 patent to obtain its proposed construction. Perhaps these constructions are evident from the drawings. However, it takes some level of skill in the art to derive such meaning from the drawings. Neither the parties' briefs nor the reports or testimony of their experts and inventors provide sufficient aid to the court to determine whether one with ordinary skill in the art would derive plaintiff's proposed construction from the drawings or other evidence intrinsic to the '697 patent.

It appears that the parties' experts disagree as to whether defendant's device infringes the '697 patent and as to whether claim 7 was anticipated by the prior art.

\*9 On plaintiff's summary judgment motion, genuine factual disputes regarding whether the ERA documents were in existence prior to September 1, 1977 must be resolved in defendant's favor. For purposes of plaintiff's summary judgment motion, the art disclosed by those documents would have to be treated as prior art.

Thus, genuine factual disputes exist that would preclude the granting of either of plaintiff's summary judgment motions. However, resolution of the construction issues may result in a different conclusion. Both motions for summary judgment will be denied.

The court and jury would be aided in understanding the '697 patent and other issues in this case by the appointment of an independent expert. The parties have indicated that Hapet Albert Berberian is an expert in this field. The court will contact Berberian to learn whether he will accept appointment in this case, his availability, and his fee schedule. He will be directed to send a copy of his response to both the court and the parties. The parties shall share equally in the payment of his fee. If appointment is made, the parties shall provide the expert with the pertinent pleadings and discovery, including the parties' summary judgment briefs and exhibits.

The court's independent expert shall provide the court with a report as to his opinions on the issues pertinent to this lawsuit. A copy of the report shall also be provided to each party. The opinions stated in the report may be written in language that would be understandable to one of ordinary skill in the art. However, the expert shall also attempt to provide explanations in language that a layperson, such as the court or a juror, would be expected to understand.

Issues to be addressed by the expert include, but are not limited to, the following:

(1) A definition of the art pertinent to the '697 patent and a definition of one of ordinary skill in the art.

- (2) A description of the method contained in claim 7 of the '697 patent, including the definition of terms contained therein, as it would be understood by one of ordinary skill in the pertinent art. There should be particular emphasis on those issues or terms for which the parties' submissions indicate differing interpretations, as well as any terms or issues that a reading of today's opinion may indicate the court misunderstood or did not fully understand. In providing these descriptions and definitions, the expert shall note or explain whether such could be unambiguously derived from the intrinsic evidence of the patent itself. To the extent extrinsic evidence is considered, the expert shall note any ambiguities in the patent itself and note what extrinsic evidence was relied upon. <sup>14</sup>
- (3) His opinion as to whether defendant's accused device infringes claim 7 of the '697 patent.
  - (4) His opinions as to whether claim 7 of the '697 patent was anticipated or obvious in light of the prior art. In rendering these opinions, the expert shall specifically state whether his opinion would be different if the art represented by the 1977 ERA documents were not to be considered prior art.
- \*10 Within seven days, each party may submit suggestions to the proposed expert as to additional issues it believes

should be addressed. After the expert submits his report, the parties shall have an opportunity to depose him.

At the first status hearing after the expert's deposition, the parties shall be prepared to address the question of settlement and whether they believe a *Markman* hearing is necessary.

#### IT IS THEREFORE ORDERED that:

- (1) Plaintiff's motion to exclude the reports of Ohio's expert, Dalbert Shefte, and related testimony [45] is granted in part and denied in part without prejudice. Shefte's opinions as to construction of claim 7 of the patent and anticipation will not be considered in ruling on summary judgment.
- (2) Plaintiff's motion to strike defendant's response to plaintiff's motion for summary judgment [74] is granted in part and denied in part. Shefte's affidavit has not been considered in ruling on summary judgment.
- (3) Plaintiff's motions for summary judgment [52, 53] are denied.

## **All Citations**

Not Reported in F.Supp.2d, 2000 WL 631382, 2000 Markman 631382

### Footnotes

- 1 Since defendant raises additional defenses that are not a subject of the summary judgment motions, success on the pending summary judgment motions would not necessarily result in a finding of liability in plaintiff's favor.
- Plaintiff's motion to exclude the testimony of Shefte is broader than is appropriate to address at the present time. At the present time, it will only be considered whether his testimony is appropriate as regards literal infringement and anticipation, including the court's construction of the patent. To the extent plaintiff's motion to exclude addresses additional issues, it is denied without prejudice to submitting a motion in limine or objection to the witness at the time the final pretrial order is presented.
- 3 By "that," Stevenson apparently meant the '697 patent, but he may have meant signal processing and image processing in general.
- A person of ordinary skill in the art is a hypothetical person having ordinary skill in the field and knowledge of all the prior art; it does not necessarily describe a real person. *Endress* + *Hauser*, *Inc. v. Hawk Measurement Systems Pty. Ltd.*, 122 F.3d 1040, 1042 (Fed.Cir.1997). One with greater than ordinary skills can still provide useful testimony as to the hypothetical person of ordinary skill. *Id.* One with less than ordinary skill in the art, however, is not likely to be able to provide useful testimony.
- Defendant's citation to Yarway Corp. v. Eur-Control USA, Inc., 775 F.2d 268, 274–75 (Fed.Cir.1985), is not controlling. There, the Federal Circuit ruled on the appropriate legal standards and made reference to trial testimony of a patent lawyer who was noted as not being an engineer. The Federal Circuit did not directly rule on the question of whether such evidence was admissible.
- Since this testimony otherwise is not being considered, it is unnecessary to consider plaintiff's additional argument that Shefte's opinions as to anticipation were not timely disclosed.

- In ruling on the summary judgment motions, plaintiff's contentions regarding the inconsistencies have been considered. This court does not favor motions to strike evidence in response to summary judgment motions or answers. Instead, this issue should have been raised in a Rule 56.1 Reply Statement and, if highlighting was necessary, in plaintiff's reply brief itself.
- 8 An individual cup is sometimes referred to as an "engraved cell."
- The printing form is on a cylinder. The cylinder revolves as the engraving device cuts cups in the printing form's surface. After one revolution, the engraving device moves to the next row. Thus, the screen signal directs the engraving device to its location at a particular engraving cell of a row on the cylinder/printing form. An image signal directs the engraving device as to the manner (depth and width) in which to cut the cup within that engraving cell.
- For purposes of literal infringement, it can be assumed that all prior art functioned in this manner, which is plaintiff's contention. Defendant contends other prior art also involved multiple sampling.
- 11 For example, if every engraved cell was one millimeter apart and the scanning frequency for the image was double that of the engraved cells, the image would be scanned every half-millimeter. Thus, the scanning points on the millimeters would directly correspond with an engraved cell while the scanning points on the half-millimeters would not.
- 12 Eight different on/off switches can be combined in 256 (2 <sup>8</sup>) different ways.
- According to Seitz, an analog signal typically may have 10,000 or more distinguishable levels, depending on the resolution of the signal. Seitz opines that, with an 8-bit digital processor limited to only 256 levels, significant amounts of image data would be lost during the conversion process. To avoid data loss, the sampling must be of sufficient frequency, in accordance with the well accepted Nyquist Theorem.
- "Intrinsic evidence consists of the claim itself, the specification, and any prosecution history. Extrinsic evidence includes expert testimony, inventor testimony, dictionaries, treatises, and prior art not cited in the prosecution history." Zodiac Pool, 206 F.3d at 1414.

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